



REGIONAL ECONOMIC PROFILE

South Waikato District



Economics put simply



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ECONOMY

The New Zealand economy in 2022

The New Zealand economy grew 5.3% in the March 2022 year, the fastest pace since 2000. At a national level, economic growth in the March 2022 year was the third-fastest on record (since 1987), with stronger growth seen only in 1994 and 2000.

Economic activity bounced back strongly from the initial disruptions caused by the COVID-19 pandemic response, with substantial fiscal and monetary support boosting spending and investment levels economy-wide.

The March 2022 year includes the Level 4 Delta lockdown in August 2021, the extended lockdown in Auckland and parts of Waikato, the Traffic Light system over the summer of 2021/22, and the start of the Omicron outbreak in early 2022.

The strong level of growth experienced in the March 2022 year is partially due to economic activity being weaker in the preceding year, although the economic contraction over the March 2021 year was revised from an original 1.2% drop to a 0.5% drop. At the end of the year to March 2022, New Zealand's economy was 4.7% larger than pre-pandemic.

The professional, scientific, and technical services industry contributed just over a third of the total rise in economic activity over the March 2022 year, with wholesale and retail trade, transport, and construction all major contributors too. Fourteen of nineteen headline industries saw economic rise in 2022, with limited falls or zero growth in the remaining five. Included within this growth is a revival in activity after declines in the March 2021 year, particularly for transport activity.

Filled jobs rose 3.0%, to 2.69m filled jobs, on average over the 12 months to March 2022. This growth was the fastest since 2017 and was partially catch-up for 2021 when employment stood still, with a revised 0% growth rate.

Employment growth was driven by further increases in the construction, healthcare, and professional services industries. The agriculture, forestry, and fishing industry was the only high-level industry to see a fall in employment.

How fast has South Waikato District's economy grown?

This section measures economic performance in South Waikato District during the year to March 2022 and previous years. All GDP estimates are measured in constant 2022 prices.

- GDP in South Waikato District measured \$1,509m in the year to March 2022, up 3.3% from a year earlier. New Zealand's GDP increased by 5.3% over the same period.
- Economic growth in South Waikato District averaged 2.1%pa over the last 10 years compared with an average of 3.0%pa in the national economy.
- Growth in South Waikato District reached a high of 8.4% in 2001 and a low of -4.8% in 2008.
- South Waikato District accounted for 0.4% of national GDP in 2022.

Figure 1: GDP growth, year to Mar 2022

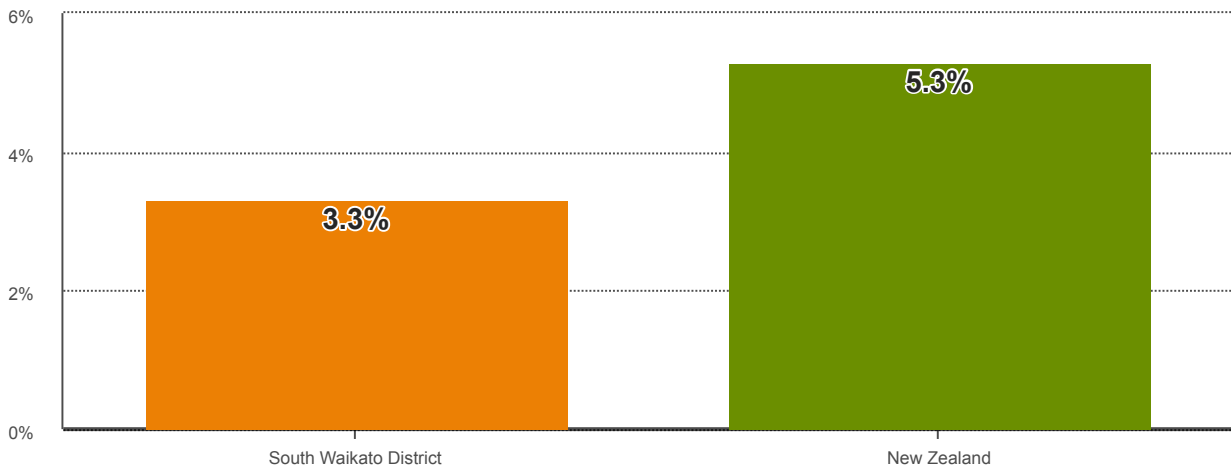


Figure 2: Annual average GDP growth, 2001-2022

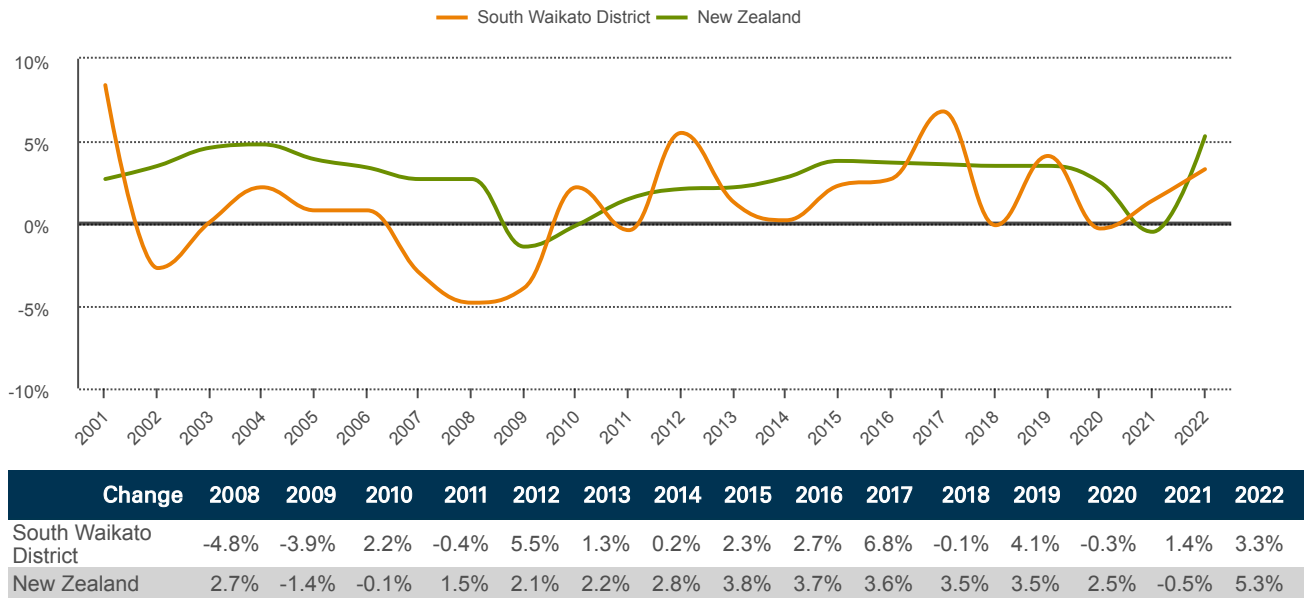
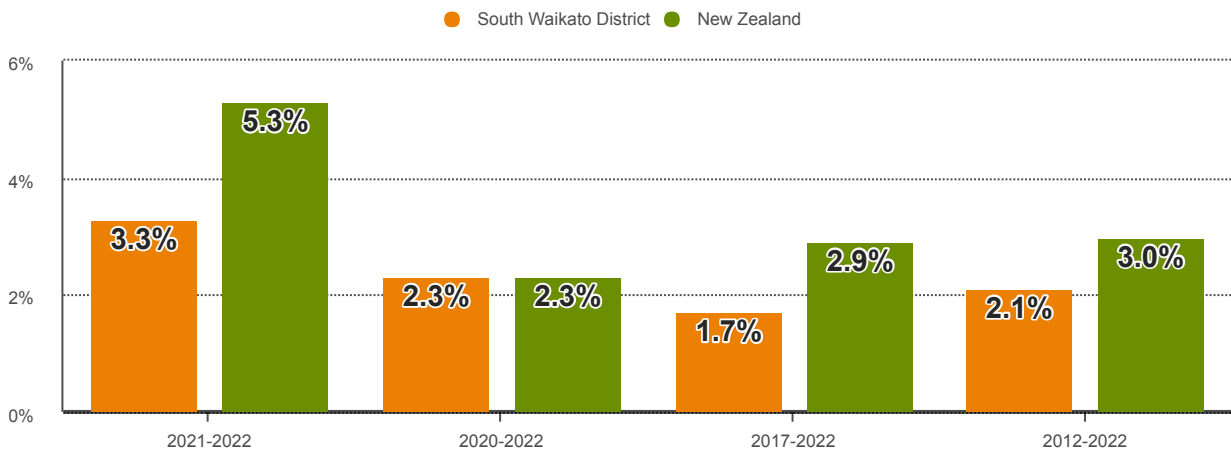


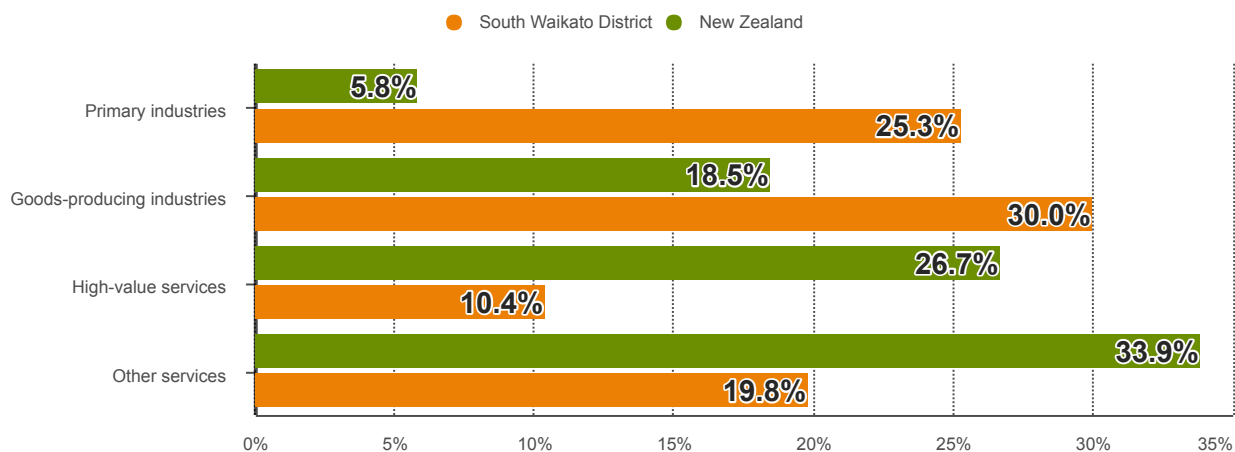
Figure 3: GDP growth over the last 1, 2, 5 & 10 years



What is the industrial structure of South Waikato District's economy?

This section describes the structure of the economy in terms of the broad sectors of primary industries, goods-producing industries, high-values services and other services. Primary industries make direct use of natural resources. They extract or harvest products from the earth. Goods-producing industries produce manufactured and other processed goods. High-value services include the higher value-adding, knowledge-based service industries. More detail of the sectors is given in the technical appendix.

Figure 4: Share of total GDP, 2022



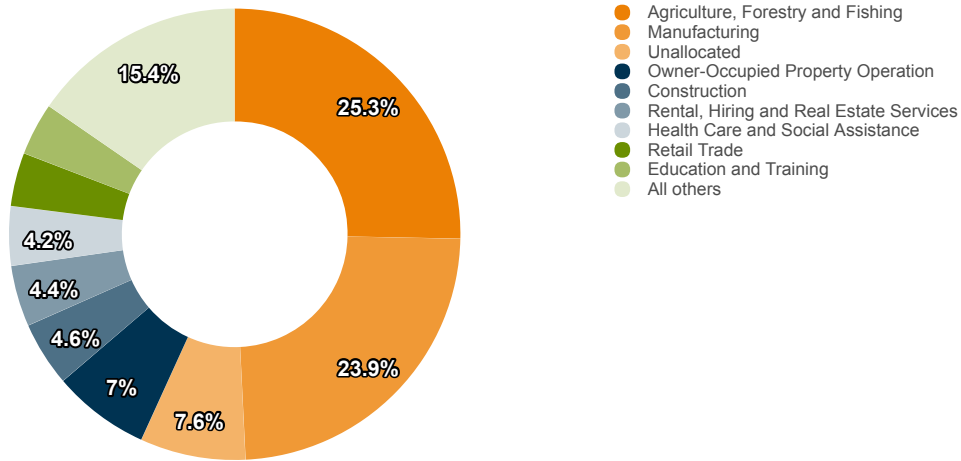
- Primary industries accounted for 25.3% compared with 5.8% in the national economy.
- Goods-producing industries accounted for the largest proportion of GDP (30.0%) in South Waikato District, which is higher than in the national economy (18.5%).
- Other services accounted for 19.8% compared with 33.9% in the national economy.
- High-value services accounted for the smallest proportion in South Waikato District: 10.4% compared with 26.7% in the national economy.

Table 1: GDP by ANZSIC 1-digit industry, 2022

Industry	South Waikato District		New Zealand	
	Level	Share of total	Level	Share of total
Agriculture, Forestry and Fishing	\$382m	25.3%	\$17,803m	5.0%
Manufacturing	\$361m	23.9%	\$32,079m	9.0%
Construction	\$69.8m	4.6%	\$24,558m	6.9%
Rental, Hiring and Real Estate Services	\$66.3m	4.4%	\$22,087m	6.2%
Health Care and Social Assistance	\$64.1m	4.2%	\$22,249m	6.2%
Retail Trade	\$57.7m	3.8%	\$18,985m	5.3%
Education and Training	\$56.8m	3.8%	\$12,625m	3.5%
Professional, Scientific and Technical Services	\$43.8m	2.9%	\$34,004m	9.5%
Transport, Postal and Warehousing	\$35.9m	2.4%	\$13,032m	3.6%
Other Services	\$29.4m	1.9%	\$6,126m	1.7%
Public Administration and Safety	\$27.7m	1.8%	\$16,693m	4.7%
Electricity, Gas, Water and Waste Services	\$21.8m	1.4%	\$9,585m	2.7%
Wholesale Trade	\$20.8m	1.4%	\$18,802m	5.3%
Accommodation and Food Services	\$15.1m	1.0%	\$6,909m	1.9%
Financial and Insurance Services	\$13.3m	0.9%	\$19,760m	5.5%
Administrative and Support Services	\$8.60m	0.6%	\$6,977m	2.0%
Information Media and Telecommunications	\$8.27m	0.5%	\$14,189m	4.0%
Arts and Recreation Services	\$7.33m	0.5%	\$4,362m	1.2%
Mining	\$0.00m	0.0%	\$2,921m	0.8%
Owner-Occupied Property Operation	\$105m	7.0%	\$27,027m	7.6%
Unallocated	\$114m	7.5%	\$26,936m	7.5%
Total	\$1,509m	100%	\$357,710m	100%

- Among broad industries Agriculture, Forestry and Fishing was the largest in South Waikato District in 2022 accounting for 25.3% of total.
- The second largest was Manufacturing (23.9%) followed by Construction (4.6%)

Figure 5: Share of total GDP, 2022



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

- Among detailed industries Dairy Cattle Farming was the largest in South Waikato District in 2022 accounting for 15.6% of total.
- The second largest was Pulp & Paper Product Manufacturing (6.9%) followed by Dairy Product Manufacturing (6.0%)

Table 2: GDP by 54 industries, 2022

Industry	South Waikato District		New Zealand	
	Level	Share of total	Level	Share of total
Dairy Cattle Farming	\$236m	15.6%	\$6,834m	1.9%
Pulp & Paper Product Manufacturing	\$104m	6.9%	\$1,016m	0.3%
Dairy Product Manufacturing	\$90.1m	6.0%	\$1,713m	0.5%
Forestry & Logging	\$74.9m	5.0%	\$2,095m	0.6%
Health Care & Social Assistance	\$64.1m	4.2%	\$22,249m	6.2%
Machinery & Other Equipment Manu	\$58.9m	3.9%	\$5,469m	1.5%
Education & Training	\$56.8m	3.8%	\$12,625m	3.5%
Wood Product Manufacturing	\$56.3m	3.7%	\$1,971m	0.6%
Property Operators & Real Estate Services	\$53.0m	3.5%	\$18,541m	5.2%
Professional, Scientific & Tech Services	\$43.8m	2.9%	\$34,004m	9.5%
Construction Services	\$43.3m	2.9%	\$12,714m	3.6%
Agric Support Services & Hunting	\$36.2m	2.4%	\$2,835m	0.8%
Other Services	\$29.4m	1.9%	\$6,126m	1.7%
Road Transport	\$26.8m	1.8%	\$4,782m	1.3%
Other Store & Non Store Retailing	\$26.1m	1.7%	\$10,886m	3.0%
Supermarket & Specialised Food Retailing	\$22.4m	1.5%	\$5,464m	1.5%
Wholesale Trade	\$20.8m	1.4%	\$18,802m	5.3%
Central Gov Admin, Defence & Safety	\$19.1m	1.3%	\$14,763m	4.1%
Sheep, Beef Cattle & Grain Farming	\$18.7m	1.2%	\$3,404m	1.0%
Accommodation & Food Services	\$15.1m	1.0%	\$6,909m	1.9%
Fabricated Metal Product Manufacturing	\$14.6m	1.0%	\$2,837m	0.8%
Water, Sewerage & Waste Services	\$13.4m	0.9%	\$1,743m	0.5%
Building Construction	\$13.4m	0.9%	\$5,541m	1.5%
Rental & Hiring Services	\$13.4m	0.9%	\$3,547m	1.0%
Heavy & Civil Engineering Construction	\$13.1m	0.9%	\$6,303m	1.8%
Finance	\$11.2m	0.7%	\$13,071m	3.7%
Poultry, Deer & Other Livestock Farming	\$11.1m	0.7%	\$470m	0.1%
Beverage & Tobacco Product Manu	\$10.2m	0.7%	\$2,692m	0.8%
Motor Vehicle, Parts & Fuel Retailing	\$9.23m	0.6%	\$2,634m	0.7%
Administrative & Support Services	\$8.60m	0.6%	\$6,977m	2.0%
Local Government Administration	\$8.57m	0.6%	\$1,931m	0.5%
Electricity & Gas Supply	\$8.42m	0.6%	\$7,842m	2.2%
Postal, Courier & Warehousing Services	\$7.42m	0.5%	\$6,115m	1.7%
Fruit, Cereal & Other Food Product Manu	\$7.33m	0.5%	\$2,573m	0.7%
Arts & Recreation Services	\$7.33m	0.5%	\$4,362m	1.2%
Telecomms, Internet & Library Services	\$5.39m	0.4%	\$10,032m	2.8%
Non-Metallic Mineral Product Manu	\$5.18m	0.3%	\$1,570m	0.4%
Meat & Meat Product Manufacturing	\$4.75m	0.3%	\$2,235m	0.6%
Primary Metal & Metal Product Manu	\$4.47m	0.3%	\$777m	0.2%
Horticulture & Fruit Growing	\$4.43m	0.3%	\$1,613m	0.5%
Transport Equipment Manufacturing	\$3.15m	0.2%	\$1,672m	0.5%
Information Media Services	\$2.88m	0.2%	\$4,156m	1.2%
Auxiliary Finance & Insurance Services	\$2.12m	0.1%	\$3,645m	1.0%
Rail, Water, Air & Other Transport	\$1.67m	0.1%	\$2,135m	0.6%
Furniture & Other Manufacturing	\$0.84m	0.1%	\$1,047m	0.3%
Fishing & Aquaculture	\$0.80m	0.1%	\$552m	0.2%
Textile, Leather, Clothing, Footwear Manu	\$0.71m	0.0%	\$772m	0.2%
Basic Chemical & Chemical Product Manu	\$0.62m	0.0%	\$1,755m	0.5%
Printing	\$0.26m	0.0%	\$706m	0.2%
Mining	\$0.00m	0.0%	\$2,921m	0.8%
Seafood Processing	\$0.00m	0.0%	\$505m	0.1%
Petroleum & Coal Product Manufacturing	\$0.00m	0.0%	\$1,255m	0.4%
Polymer Product & Rubber Product Manu	\$0.00m	0.0%	\$1,513m	0.4%
Insurance & Superannuation Funds	\$0.00m	0.0%	\$3,044m	0.9%
Owner-Occupied Property Operation	\$105m	7.0%	\$27,027m	7.6%
Unallocated	\$114m	7.5%	\$26,936m	7.5%
Total	\$1,509m	100%	\$357,710m	100%

Which broad industries made the largest contribution to economic growth?

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

- Manufacturing made the largest contribution to overall growth in South Waikato District between 2021 and 2022. The industry grew by 4.3% over the year and contributed 1.01 percentage points to the district's total growth of 3.3%.
- The next largest contributor was professional, scientific and technical services (0.52 percentage points) followed by electricity, gas, water and waste services (0.47 percentage points).
- The largest detractor from growth over the year was Agriculture, Forestry and Fishing which declined by 2.4% and contributed -0.64 percentage points to the total growth of 3.3%. Rental, Hiring and Real Estate Services (-0.51 percentage points) was the next largest detractor.

Table 3: ANZSIC 1-digit industries ranked by % point contribution to GDP growth, 2021-2022

Industry	2021	2022	% point contribution to growth	Annual Growth
Manufacturing	346	361	1.01%	4.3%
Professional, Scientific and Technical Services	36	44	0.52%	21.2%
Electricity, Gas, Water and Waste Services	15	22	0.47%	45.2%
Construction	64	70	0.40%	9.2%
Retail Trade	52	58	0.39%	10.9%
Health Care and Social Assistance	59	64	0.34%	8.5%
Transport, Postal and Warehousing	32	36	0.25%	11.2%
Wholesale Trade	18	21	0.20%	15.9%
Information Media and Telecommunications	6	8	0.13%	31.2%
Education and Training	55	57	0.10%	2.7%
Administrative and Support Services	7	9	0.10%	21.3%
Other Services	28	29	0.10%	5.0%
Accommodation and Food Services	15	15	0.03%	3.1%
Arts and Recreation Services	7	7	0.01%	2.5%
Mining	0	0	0.00%	-
Financial and Insurance Services	14	13	-0.05%	-5.4%
Public Administration and Safety	29	28	-0.08%	-4.2%
Rental, Hiring and Real Estate Services	74	66	-0.51%	-10.1%
Agriculture, Forestry and Fishing	391	382	-0.64%	-2.4%
Owner-Occupied Property Operation	102.1	105.4	0.22%	3.2%
Unallocated	109.9	113.7	0.26%	3.4%
Total	1,461	1,509	3.3%	3.3%

Which detailed industries made the largest contribution to economic growth?

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

- Pulp & Paper Product Manufacturing made the largest contribution to overall growth in South Waikato District between 2021 and 2022. The industry grew by 9.7% over the year and contributed 0.63 percentage points to the district's total growth of 3.3%.
- The next largest contributor was professional, scientific & tech services (0.52 percentage points) followed by machinery & other equipment manu (0.52 percentage points).
- The largest detractor from growth over the year was Dairy Cattle Farming which declined by 3.2% and contributed -0.53 percentage points to the total growth of 3.3%. Dairy Product Manufacturing (-0.47 percentage points) was the next largest detractor.

Table 4: 54 industries ranked by percentage point contribution to growth, 2021-2022

Industry	2021	2022	% point contribution to growth	Annual Growth
Pulp & Paper Product Manufacturing	94	104	0.63%	9.7%
Professional, Scientific & Tech Services	36	44	0.52%	21.2%
Machinery & Other Equipment Manu	51	59	0.52%	14.8%
Water, Sewerage & Waste Services	7	13	0.44%	91.7%
Health Care & Social Assistance	59	64	0.34%	8.5%
Wood Product Manufacturing	52	56	0.28%	8.0%
Construction Services	39	43	0.28%	10.3%
Wholesale Trade	18	21	0.20%	15.9%
Other Store & Non Store Retailing	23	26	0.18%	11.0%
Agric Support Services & Hunting	34	36	0.15%	6.5%
Building Construction	11	13	0.15%	19.1%
Telecomms, Internet & Library Services	3	5	0.13%	55.1%
Motor Vehicle, Parts & Fuel Retailing	7	9	0.13%	25.0%
Fabricated Metal Product Manufacturing	13	15	0.12%	13.3%
Postal, Courier & Warehousing Services	6	7	0.11%	29.0%
Education & Training	55	57	0.10%	2.7%
Administrative & Support Services	7	9	0.10%	21.3%
Other Services	28	29	0.10%	5.0%
Road Transport	26	27	0.09%	5.2%
Supermarket & Specialised Food Retailing	21	22	0.08%	5.8%
Primary Metal & Metal Product Manu	4	4	0.06%	23.0%
Rail, Water, Air & Other Transport	1	2	0.04%	59.0%
Non-Metallic Mineral Product Manu	5	5	0.04%	12.3%
Accommodation & Food Services	15	15	0.03%	3.1%
Electricity & Gas Supply	8	8	0.03%	4.7%
Transport Equipment Manufacturing	3	3	0.02%	10.7%
Basic Chemical & Chemical Product Manu	0	1	0.01%	53.4%
Fishing & Aquaculture	1	1	0.01%	36.4%
Arts & Recreation Services	7	7	0.01%	2.5%
Furniture & Other Manufacturing	1	1	0.01%	17.8%
Horticulture & Fruit Growing	4	4	0.01%	1.9%
Information Media Services	3	3	0.00%	1.8%
Printing	0	0	0.00%	13.5%
Mining	0	0	0.00%	-
Petroleum & Coal Product Manufacturing	0	0	0.00%	-
Polymer Product & Rubber Product Manu	0	0	0.00%	-
Insurance & Superannuation Funds	0	0	0.00%	-
Textile, Leather, Clothing, Footwear Manu	1	1	0.00%	-5.2%
Meat & Meat Product Manufacturing	5	5	-0.01%	-1.7%
Seafood Processing	0	0	-0.01%	-100.0%
Auxiliary Finance & Insurance Services	2	2	-0.01%	-7.7%
Sheep, Beef Cattle & Grain Farming	19	19	-0.02%	-1.5%
Heavy & Civil Engineering Construction	13	13	-0.02%	-2.3%
Fruit, Cereal & Other Food Product Manu	8	7	-0.03%	-5.6%
Central Gov Admin, Defence & Safety	20	19	-0.04%	-3.0%
Finance	12	11	-0.04%	-5.0%
Local Government Administration	9	9	-0.04%	-6.9%
Rental & Hiring Services	14	13	-0.07%	-7.1%
Poultry, Deer & Other Livestock Farming	13	11	-0.10%	-12.0%
Forestry & Logging	77	75	-0.16%	-3.0%
Beverage & Tobacco Product Manu	13	10	-0.17%	-19.1%
Property Operators & Real Estate Services	59	53	-0.44%	-10.9%
Dairy Product Manufacturing	97	90	-0.47%	-7.1%
Dairy Cattle Farming	243	236	-0.53%	-3.2%
Owner-Occupied Property Operation	102.1	105.4	0.22%	3.2%
Unallocated	109.9	113.7	0.26%	3.4%
Total	1,461	1,509	3.3%	3.3%

In which industries does South Waikato District have a comparative advantage?

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

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

- The industries in which South Waikato District has the largest comparative advantages are Pulp & Paper Product Manufacturing (location quotient = 24.2), Dairy Product Manufacturing (12.5), and Forestry & Logging (8.5).

Table 5: Location Quotient, 2022

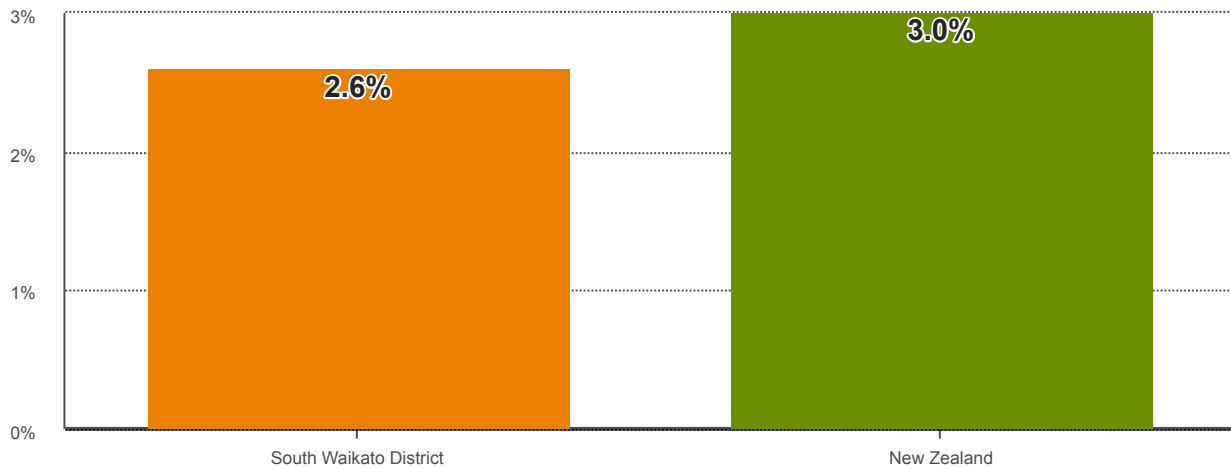
Industry	South Waikato District		New Zealand
	Location Quotient	Share of total GDP	Share of total GDP
Pulp & Paper Product Manufacturing	24.2	6.9%	0.3%
Dairy Product Manufacturing	12.5	6.0%	0.5%
Forestry & Logging	8.5	5.0%	0.6%
Dairy Cattle Farming	8.2	15.6%	1.9%
Wood Product Manufacturing	6.8	3.7%	0.6%
Poultry, Deer & Other Livestock Farming	5.6	0.7%	0.1%
Agric Support Services & Hunting	3.0	2.4%	0.8%
Machinery & Other Equipment Manu	2.6	3.9%	1.5%
Water, Sewerage & Waste Services	1.8	0.9%	0.5%
Primary Metal & Metal Product Manu	1.4	0.3%	0.2%
Road Transport	1.3	1.8%	1.3%
Sheep, Beef Cattle & Grain Farming	1.3	1.2%	1.0%
Fabricated Metal Product Manufacturing	1.2	1.0%	0.8%
Other Services	1.1	1.9%	1.7%
Education & Training	1.1	3.8%	3.5%
Local Government Administration	1.1	0.6%	0.5%
Supermarket & Specialised Food Retailing	1.0	1.5%	1.5%
Beverage & Tobacco Product Manu	0.9	0.7%	0.8%
Rental & Hiring Services	0.9	0.9%	1.0%
Motor Vehicle, Parts & Fuel Retailing	0.8	0.6%	0.7%
Construction Services	0.8	2.9%	3.6%
Non-Metallic Mineral Product Manu	0.8	0.3%	0.4%
Health Care & Social Assistance	0.7	4.2%	6.2%
Property Operators & Real Estate Services	0.7	3.5%	5.2%
Fruit, Cereal & Other Food Product Manu	0.7	0.5%	0.7%
Horticulture & Fruit Growing	0.7	0.3%	0.5%
Building Construction	0.6	0.9%	1.5%
Other Store & Non Store Retailing	0.6	1.7%	3.0%
Accommodation & Food Services	0.5	1.0%	1.9%
Meat & Meat Product Manufacturing	0.5	0.3%	0.6%
Heavy & Civil Engineering Construction	0.5	0.9%	1.8%
Transport Equipment Manufacturing	0.4	0.2%	0.5%
Arts & Recreation Services	0.4	0.5%	1.2%
Fishing & Aquaculture	0.3	0.1%	0.2%
Central Gov Admin, Defence & Safety	0.3	1.3%	4.1%
Professional, Scientific & Tech Services	0.3	2.9%	9.5%
Administrative & Support Services	0.3	0.6%	2.0%
Postal, Courier & Warehousing Services	0.3	0.5%	1.7%
Wholesale Trade	0.3	1.4%	5.3%
Electricity & Gas Supply	0.3	0.6%	2.2%
Textile, Leather, Clothing, Footwear Manu	0.2	0.0%	0.2%
Finance	0.2	0.7%	3.7%
Furniture & Other Manufacturing	0.2	0.1%	0.3%
Rail, Water, Air & Other Transport	0.2	0.1%	0.6%
Information Media Services	0.2	0.2%	1.2%
Auxiliary Finance & Insurance Services	0.1	0.1%	1.0%
Telecomms, Internet & Library Services	0.1	0.4%	2.8%
Printing	0.1	0.0%	0.2%
Basic Chemical & Chemical Product Manu	0.1	0.0%	0.5%
Mining	0.0	0.0%	0.8%
Seafood Processing	0.0	0.0%	0.1%
Petroleum & Coal Product Manufacturing	0.0	0.0%	0.4%
Polymer Product & Rubber Product Manu	0.0	0.0%	0.4%
Insurance & Superannuation Funds	0.0	0.0%	0.9%

EMPLOYMENT

How fast has employment grown in South Waikato District?

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

Figure 6: Employment growth, year to Mar 2022



- Total employment in South Waikato District averaged 10,551 in the year to March 2022, up 2.6% from a year earlier. Employment in New Zealand increased by 3.0% over the same period.
- Employment growth in South Waikato District averaged 1.0%pa over the last 10 years compared with 2.1%pa in the national economy.
- Employment growth in South Waikato District reached a high of 5.3% in 2001 and a low of -2.9% in 2013.

Figure 7: Annual average employment growth, 2001-2022

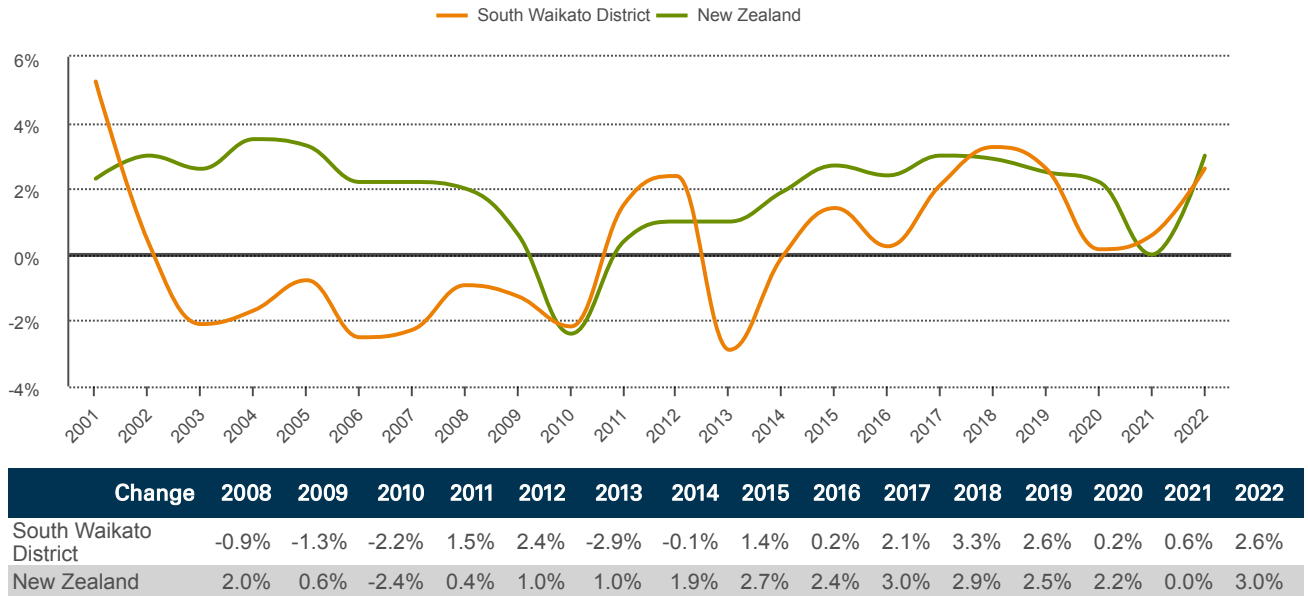
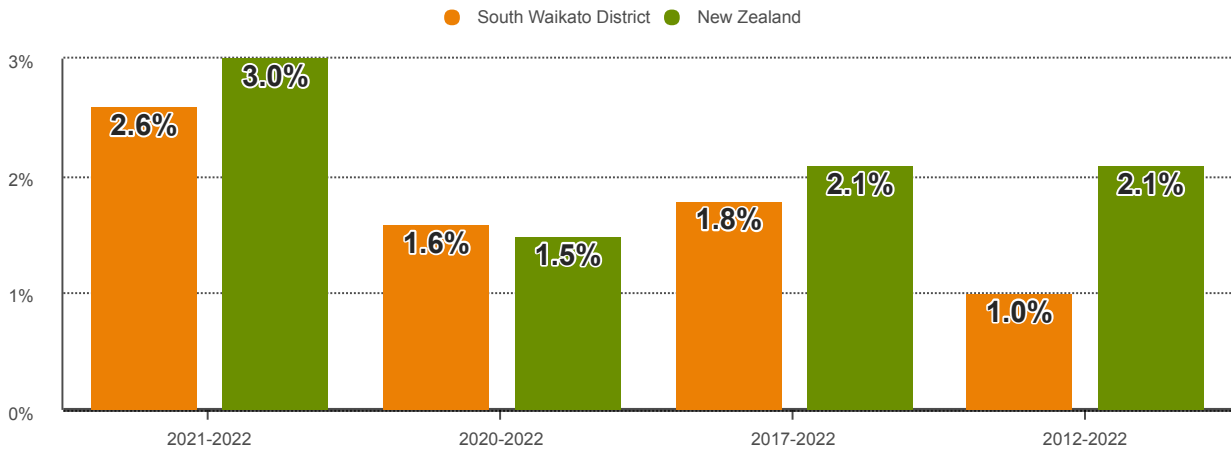


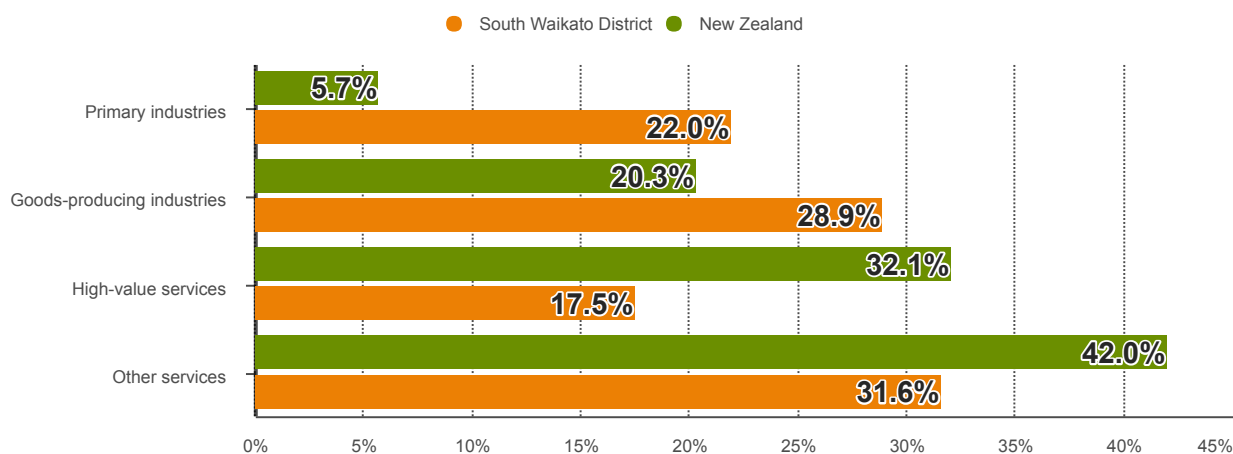
Figure 8: Employment growth over the last 1, 2, 5 & 10 years



What is the industrial structure of employment in South Waikato District?

This section describes the structure of the labour market in terms of the broad sectors of primary industries, goods-producing industries, high-values services and other services. Primary industries make direct use of natural resources. They extract or harvest products from the earth. Goods-producing industries produce manufactured and other processed goods. High-value services include the higher value-adding, knowledge-based service industries. More detail of the sectors is given in the technical appendix.

Figure 9: Employment by broad sector, 2022



- Primary industries accounted for 22.0% in South Waikato District compared with 5.7% in New Zealand.
- Goods-producing industries accounted for 28.9% in South Waikato District compared with 20.3% in New Zealand.
- Other services industries accounted for the largest proportion of employment (31.6%) in South Waikato District, which is lower than in New Zealand (42.0%).
- High-value services accounted for 17.5% in South Waikato District compared with 32.1% in New Zealand.

Which are the largest employing industries in South Waikato District?

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

Table 6: ANZSIC 1-digit industries ranked by size of employment, 2022

Industry	South Waikato District		New Zealand	
	Level	Share of total	Level	Share of total
Agriculture, Forestry and Fishing	2,324	22.0%	146,644	5.4%
Manufacturing	2,210	20.9%	246,367	9.1%
Education and Training	912	8.6%	204,398	7.6%
Health Care and Social Assistance	803	7.6%	278,766	10.4%
Construction	764	7.2%	279,966	10.4%
Retail Trade	758	7.2%	239,299	8.9%
Other Services	577	5.5%	107,041	4.0%
Accommodation and Food Services	430	4.1%	169,340	6.3%
Transport, Postal and Warehousing	384	3.6%	104,272	3.9%
Professional, Scientific and Technical Services	362	3.4%	262,459	9.7%
Public Administration and Safety	272	2.6%	145,096	5.4%
Rental, Hiring and Real Estate Services	184	1.7%	63,764	2.4%
Administrative and Support Services	159	1.5%	130,578	4.8%
Wholesale Trade	139	1.3%	126,793	4.7%
Arts and Recreation Services	94	0.9%	48,742	1.8%
Electricity, Gas, Water and Waste Services	76	0.7%	19,926	0.7%
Financial and Insurance Services	56	0.5%	72,235	2.7%
Information Media and Telecommunications	48	0.5%	41,673	1.5%
Mining	0	0.0%	5,942	0.2%
Total	10,551	100%	2,693,301	100%

- Among broad industries Agriculture, Forestry and Fishing was the largest in South Waikato District in 2022 accounting for 22.0% of total.
- The second largest was Manufacturing (20.9%) followed by Education and Training (8.6%)

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

- Dairy Cattle Farming was the largest 7-digit industry in South Waikato District in 2022 employing 1,287 persons and accounting for 12.2% of total employment in the district. By contrast this industry accounted for 1.4% of total employment in New Zealand.
- The second largest employing industries were pulp, paper and paperboard manufacturing (434) followed by other machinery and equipment manufacturing n.e.c. (378).

Table 7: 50 largest employing ANZSIC 7-digit industries, 2022

Rank	Industry	South Waikato District		New Zealand
		Jobs	% of total	% of total
1	Dairy Cattle Farming	1,287	12.2%	1.4%
2	Pulp, Paper and Paperboard Manufacturing	434	4.1%	0.1%
3	Other Machinery and Equipment Manufacturing n.e.c.	378	3.6%	0.5%
4	Primary Education	355	3.4%	2.1%
5	Cheese and Other Dairy Product Manufacturing	354	3.4%	0.4%
6	Supermarket and Grocery Stores	293	2.8%	2.3%
7	Veneer and Plywood Manufacturing	285	2.7%	0.0%
8	Road Freight Transport	275	2.6%	1.3%
9	Cafes and Restaurants	263	2.5%	2.9%
10	Other Machinery and Equipment Repair and Maintenance	237	2.2%	0.2%
11	Preschool Education	229	2.2%	1.1%
12	Log Sawmilling	217	2.1%	0.2%
13	Logging	216	2.1%	0.2%
14	Other Agriculture and Fishing Support Services	215	2.0%	0.9%
15	Hospitals (except Psychiatric Hospitals)	173	1.6%	3.1%
16	House Construction	170	1.6%	2.2%
17	Aged Care Residential Services	158	1.5%	1.4%
18	Forestry Support Services	137	1.3%	0.1%
19	Secondary Education	136	1.3%	1.4%
20	Other Allied Health Services	120	1.1%	1.4%
21	Beef Cattle Farming (Specialised)	114	1.1%	0.3%
22	Local Government Administration	110	1.0%	1.0%
23	Other Residential Care Services	109	1.0%	0.6%
24	Other Automotive Repair and Maintenance	100	1.0%	0.7%
25	Other Construction Services n.e.c.	99	0.9%	0.5%
26	Combined Primary and Secondary Education	92	0.9%	0.2%
27	Poultry Farming (Eggs)	86	0.8%	0.0%
28	Electrical Services	84	0.8%	1.0%
29	General Practice Medical Services	82	0.8%	0.7%
30	Structural Steel Fabricating	80	0.8%	0.2%
31	Takeaway Food Services	79	0.7%	1.2%
32	Child Care Services	76	0.7%	0.6%
33	Veterinary Services	68	0.6%	0.3%
34	Accounting Services	68	0.6%	1.0%
35	Poultry Farming (Meat)	66	0.6%	0.0%
36	Plumbing Services	66	0.6%	0.7%
37	Other Crop Growing n.e.c.	64	0.6%	0.1%
38	Non-Residential Property Operators	64	0.6%	0.5%
39	Management Advice and Other Consulting Services	64	0.6%	1.7%
40	Timber Resawing and Dressing	61	0.6%	0.1%
41	Scientific Testing and Analysis Services	58	0.6%	0.2%
42	Road and Bridge Construction	58	0.5%	0.7%
43	Police Services	55	0.5%	0.6%
44	Other Interest Group Services n.e.c.	55	0.5%	0.6%
45	Painting and Decorating Services	54	0.5%	0.6%
46	Meat Processing	53	0.5%	0.8%
47	Central Government Administration	53	0.5%	1.9%
48	Buildings Cleaning Services	52	0.5%	1.1%
49	Hairdressing and Beauty Services	51	0.5%	0.7%
50	Cake and Pastry Manufacturing (Factory-based)	49	0.5%	0.1%
	All other industries total	2,449	23.2%	58.2%
	Total	10,551	100%	100%

Which industries have created the most jobs?

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

Table 8: ANZSIC 1-digit industries ranked by number of jobs created, 2021-2022

Industry	2021	2022	Change	Annual Growth
Manufacturing	2,141	2,210	69	3.2%
Construction	711	764	53	7.5%
Health Care and Social Assistance	756	803	47	6.2%
Retail Trade	725	758	33	4.6%
Education and Training	879	912	33	3.7%
Electricity, Gas, Water and Waste Services	44	76	32	71.2%
Professional, Scientific and Technical Services	331	362	31	9.4%
Transport, Postal and Warehousing	367	384	16	4.4%
Other Services	564	577	13	2.4%
Administrative and Support Services	150	159	9	5.7%
Wholesale Trade	130	139	9	6.6%
Information Media and Telecommunications	41	48	6	15.3%
Arts and Recreation Services	91	94	3	3.5%
Mining	0	0	0	-
Financial and Insurance Services	57	56	-1	-2.0%
Rental, Hiring and Real Estate Services	202	184	-18	-8.8%
Public Administration and Safety	290	272	-18	-6.2%
Accommodation and Food Services	451	430	-20	-4.5%
Agriculture, Forestry and Fishing	2,352	2,324	-28	-1.2%
Total	10,282	10,551	269	2.6%

- Manufacturing made the largest contribution to employment growth in South Waikato District between 2021 and 2022 with the industry adding 69 jobs.
- The next largest contributor was Construction (53 jobs) followed by Health Care and Social Assistance (47 jobs).
- The largest detractor from growth over the year was Agriculture, Forestry and Fishing in which employment declined by 28.

The table on the next page shows the 20 industries (out of a total of approximately 500 industries of the ANZSIC 2006 industry classification¹) that created the most number of jobs over the past year. Table 15 shows the 20 detailed industries that made the lowest contribution to job creation over the same period.

- Architectural, Engineering and Technical Services was the largest creator of jobs in South Waikato District between 2021 and 2022, generating an additional 37 positions.
- This was followed by School Education, which added 28 jobs over the same period.
- Forestry and Logging was the largest detractor of jobs in South Waikato District between 2021 and 2022, losing 24 positions.
- This was followed by Cafes, Restaurants and Takeaway Food Services, which lost 20 jobs over the same period.

Table 9: The 20 ANZSIC 4-digit industries that created the most jobs, 2021-2022

Rank	Industry	Jobs		Change 2021 - 2022	% of total 2022
		2021	2022		
1	Architectural, Engineering and Technical Services	56	93	37	0.9%
2	School Education	554	583	28	5.5%
3	Residential Building Construction	152	178	27	1.7%
4	Medical Services	58	82	24	0.8%
5	Log Sawmilling and Timber Dressing	257	278	21	2.6%
6	Pulp, Paper and Paperboard Manufacturing	415	434	19	4.1%
7	Other Construction Services	124	140	16	1.3%
8	Waste Collection Services	10	25	15	0.2%
9	Building Installation Services	169	183	15	1.7%
10	Water Supply, Sewerage and Drainage Services	0	14	14	0.1%
11	Structural Metal Product Manufacturing	113	126	13	1.2%
12	Allied Health Services	137	150	12	1.4%
13	Other Wood Product Manufacturing	293	305	12	2.9%
14	Building Completion Services	108	118	10	1.1%
15	Residential Care Services	258	267	9	2.5%
16	Postal and Courier Pick-up and Delivery Services	41	50	9	0.5%
17	Funeral, Crematorium and Cemetery Services	6	15	9	0.1%
18	Motor Vehicle Retailing	26	34	8	0.3%
19	Hospitals	165	173	8	1.6%
20	Private Households Employing Staff	11	19	8	0.2%
	All other industries	7,332	7,285	-46	69.0%
	Total	10,282	10,551	269	100%

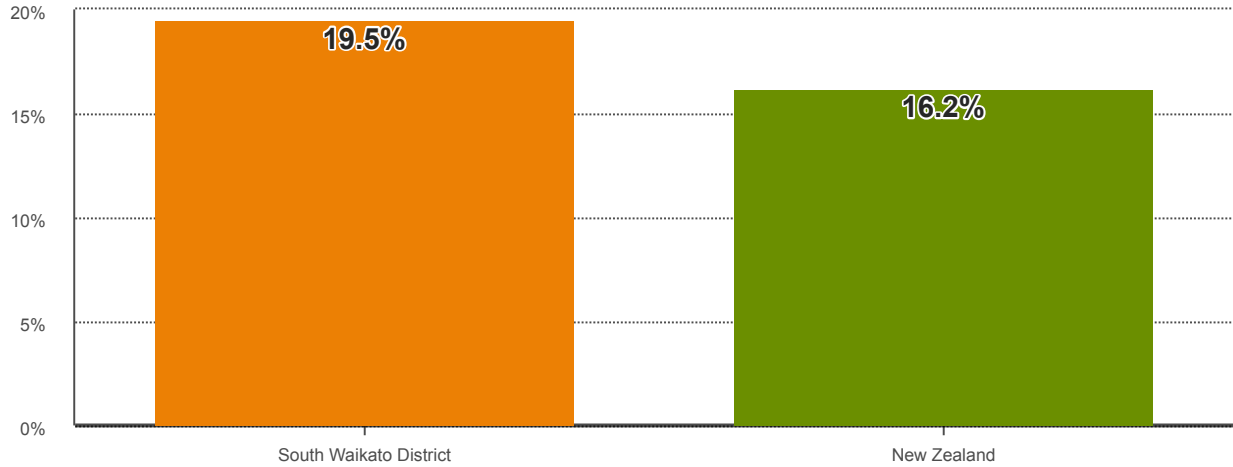
Table 10: The 20 ANZSIC 4-digit industries that lost the most jobs, 2021-2022

Rank	Industry	Jobs		Change 2021 - 2022	% of total 2022
		2021	2022		
1	Forestry and Logging	288	265	-24	2.5%
2	Cafes, Restaurants and Takeaway Food Services	364	344	-20	3.3%
3	Property Operators	98	81	-17	0.8%
4	Other Social Assistance Services	49	35	-14	0.3%
5	Local Government Administration	121	110	-11	1.0%
6	Land Development and Site Preparation Services	57	47	-10	0.4%
7	Poultry Farming	160	151	-9	1.4%
8	Pubs, Taverns and Bars	19	11	-8	0.1%
9	Central Government Administration	61	53	-8	0.5%
10	Tertiary Education	56	48	-8	0.5%
11	Beverage Manufacturing	43	36	-7	0.3%
12	Veterinary Services	75	68	-6	0.6%
13	Heavy and Civil Engineering Construction	81	76	-5	0.7%
14	Farm Animals and Bloodstock Leasing	21	16	-5	0.2%
15	Personal Care Services	56	51	-5	0.5%
16	Recreational Goods Retailing	5	1	-4	0.0%
17	Forestry Support Services	141	137	-4	1.3%
18	Travel Agency Services	8	4	-4	0.0%
19	Motor Vehicle and Motor Vehicle Parts Wholesaling	7	4	-3	0.0%
20	Mineral, Metal and Chemical Wholesaling	11	8	-3	0.1%
	All other industries	8,564	9,007	443	85.4%
	Total	10,282	10,551	269	100%

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

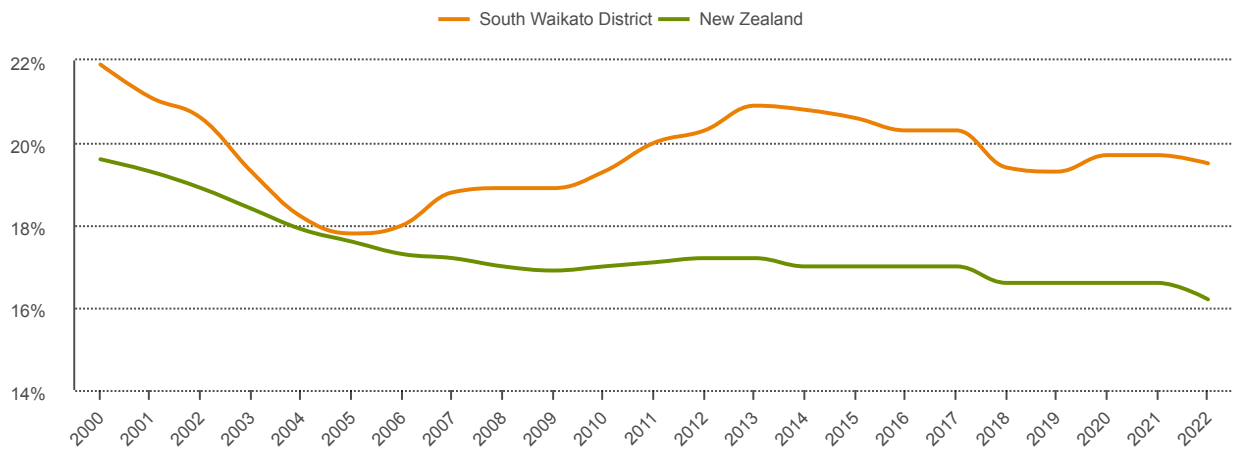
Self-employment makes up a sizeable proportion of total employment in New Zealand although it declined through the economic boom years and stabilised since the recession. This section contrasts self-employment in South Waikato District with the national economy.

Figure 10: Self employment rate, 2022



- Self-employed workers accounted for 19.5% of the workforce in South Waikato District in 2022, which was a higher rate than in the national economy (16.2%)
- A total of 2,061 workers were self-employed in South Waikato District in 2022.

Figure 11: Self employment rate, 2000-2022



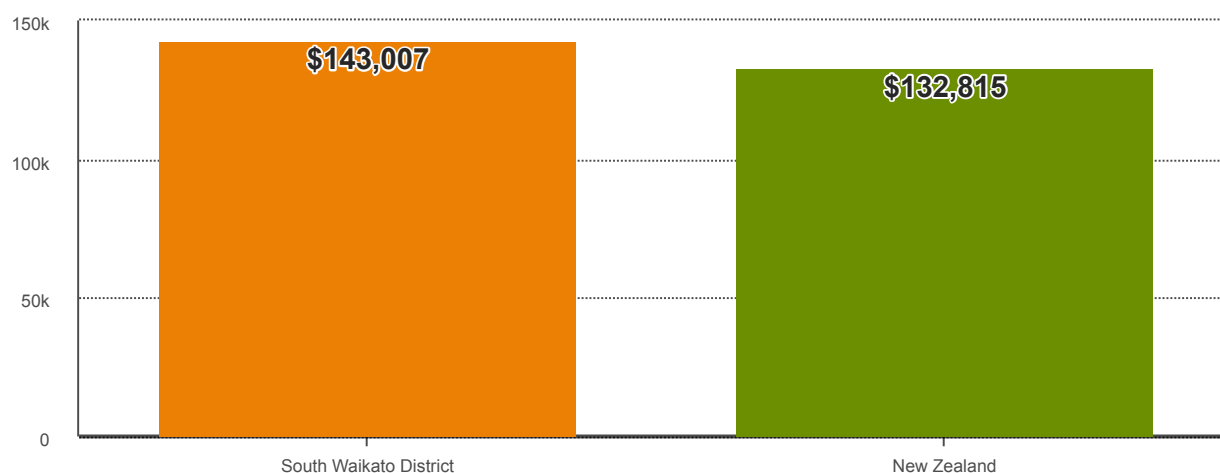
Level	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
South Waikato District	18.9%	18.9%	19.3%	20.0%	20.3%	20.9%	20.8%	20.6%	20.3%	20.3%	19.4%	19.3%	19.7%	19.7%	19.5%
New Zealand	17.0%	16.9%	17.0%	17.1%	17.2%	17.2%	17.0%	17.0%	17.0%	17.0%	16.6%	16.6%	16.6%	16.6%	16.2%

PRODUCTIVITY

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

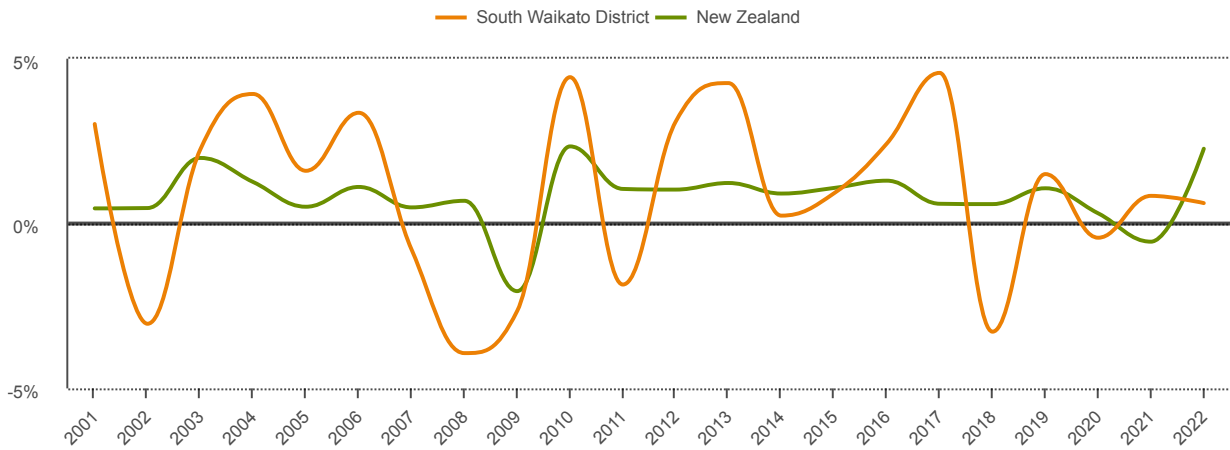
This section describes South Waikato District's productivity level during the year to March 2022 and previous years. Productivity is measured by GDP per employee (in constant 2022 prices).

Figure 12: Productivity, 2022



- GDP per employee in South Waikato District measured \$143,007 in the year to March 2022, which was 7.7% higher than in New Zealand.
- Productivity in South Waikato District increased by 0.6% from a year earlier compared with an increase of 2.3% in New Zealand).
- Productivity growth in South Waikato District averaged 1.1%pa over the last ten years compared with an average of 0.9%pa in New Zealand.

Figure 13: Productivity growth, 2001-2022



	Change	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
South Waikato District		-3.9%	-2.7%	4.4%	-1.8%	3.1%	4.3%	0.2%	0.9%	2.4%	4.6%	-3.3%	1.5%	-0.4%	0.8%	0.6%
New Zealand		0.7%	-2.0%	2.3%	1.0%	1.0%	1.2%	0.9%	1.1%	1.3%	0.6%	0.6%	1.1%	0.3%	-0.6%	2.3%

What are the most productive industries in South Waikato District?

This section ranks industries according to their level of GDP per employee in South Waikato District. The level of GDP per employee may differ between industries because of the skill levels of workers and their inherent efficiency, as well as due to different amounts of machinery, technology, and land being used as production inputs. Table 11 below ranks broad industries by GDP per employee in South Waikato District and shows the corresponding GDP per employee in the national economy. Since the capital intensity of industries is often a significant explainer of productivity we also show the capital intensity of each industry in the table. Capital intensity is measured as the share of GDP which is attributable to capital. Industries with a high proportion are thus highly capital intensive.

Table 11: ANZSIC 1-digit industries ranked by productivity, 2022

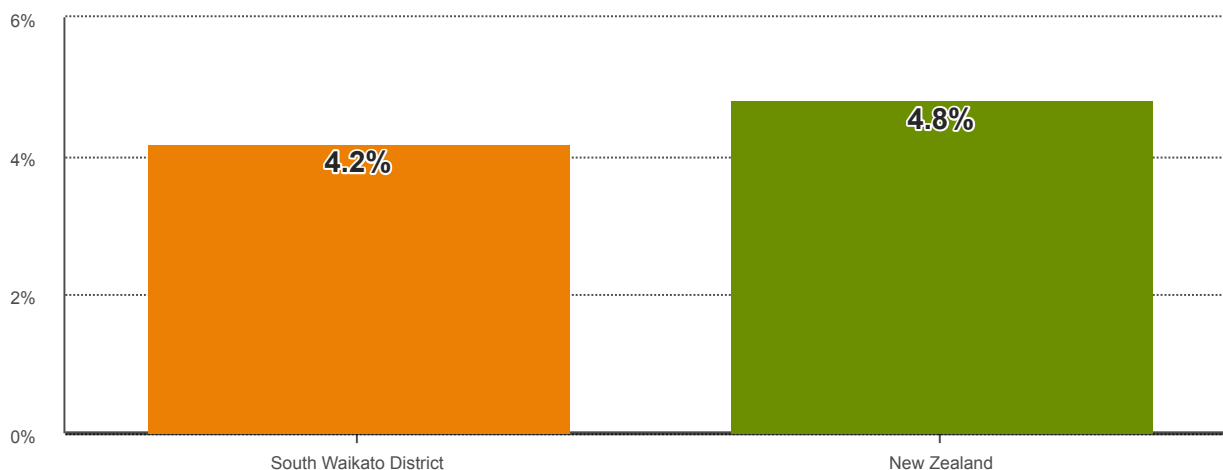
Industry	Productivity		Capital intensity
	South Waikato District	New Zealand	New Zealand
Rental, Hiring and Real Estate Services	359,710	346,394	0.81
Electricity, Gas, Water and Waste Services	288,431	481,013	0.76
Financial and Insurance Services	237,017	273,556	0.55
Information Media and Telecommunications	173,821	340,469	0.57
Agriculture, Forestry and Fishing	164,290	121,406	0.60
Manufacturing	163,354	130,207	0.43
Wholesale Trade	150,460	148,287	0.37
Professional, Scientific and Technical Services	121,101	129,560	0.27
Public Administration and Safety	101,995	115,050	0.18
Transport, Postal and Warehousing	93,639	124,983	0.42
Construction	91,340	87,718	0.29
Health Care and Social Assistance	79,817	79,814	0.12
Arts and Recreation Services	78,233	89,484	0.36
Retail Trade	76,159	79,335	0.31
Education and Training	62,266	61,768	0.26
Administrative and Support Services	54,111	53,432	0.18
Other Services	50,918	57,233	0.21
Accommodation and Food Services	35,204	40,797	0.28
Mining	0	491,574	0.76
Total	143,007	132,815	

BUSINESS GROWTH

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

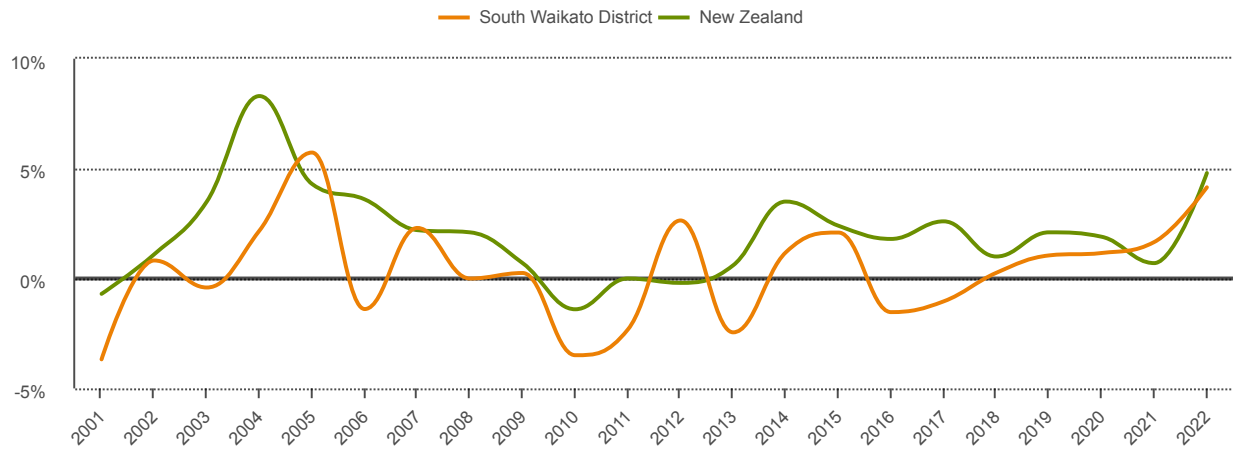
Growth in the number of business units is an indicator of entrepreneurial activity. It indicates an environment in which entrepreneurs are prepared to take risks to start new ventures. This section contrasts South Waikato District's recent performance in business unit growth with other regions in the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

Figure 14: Business unit growth, year to Mar 2022



- A total of 2,484 business units were recorded in South Waikato District in 2022, up 4.2% from a year earlier.
- The number of business units in New Zealand increased by 4.8% over the same period.
- Growth in the number of business units in South Waikato District averaged 0.6%pa over the past 10 years compared with 2.1%pa in the national economy.
- Business unit growth in South Waikato District varied from a high of 5.7% in 2005 to a low of -3.7% in 2001.

Figure 15: Annual average business unit growth, 2001-2022



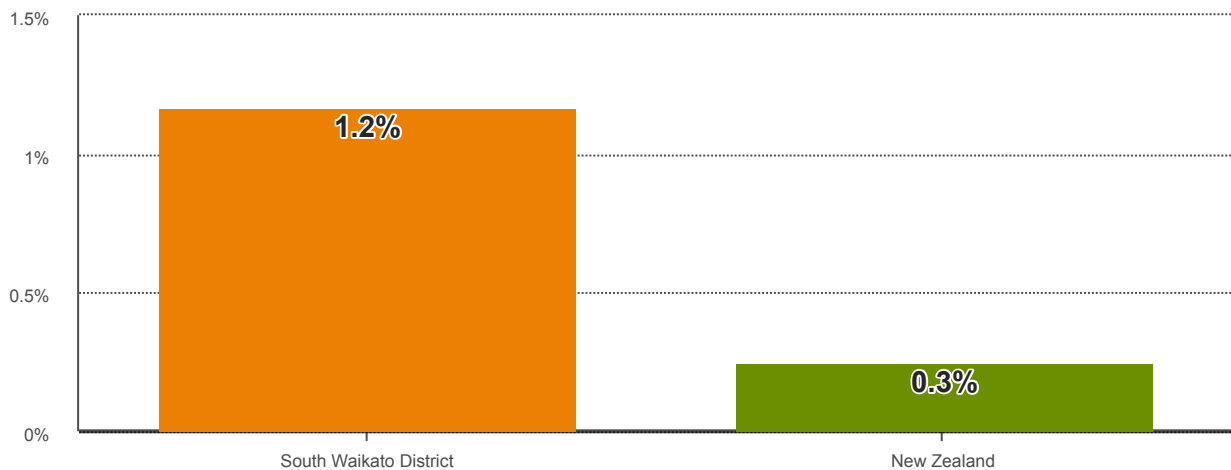
	Change	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
South Waikato District		0.0%	0.2%	-3.5%	-2.3%	2.6%	-2.4%	1.2%	2.1%	-1.5%	-1.0%	0.3%	1.0%	1.2%	1.7%	4.2%
New Zealand		2.1%	0.7%	-1.4%	0.0%	-0.2%	0.6%	3.5%	2.4%	1.8%	2.6%	1.0%	2.1%	1.9%	0.7%	4.8%

POPULATION GROWTH

How fast has South Waikato District's population grown?

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

Figure 16: Population growth, year to Jun 2022



- South Waikato District's population was 25,900 in 2022, up 1.2% from a year earlier. New Zealand's total population grew by 0.2% over the same period.
- Population growth in South Waikato District averaged 1.1%pa over the last 5 years compared with 1.3%pa in New Zealand.
- Since 1996 growth in South Waikato District reached a high of 1.7%pa in 2015 and a low of -2.0%pa in 2001.

Figure 17: Annual population growth, 1997-2022

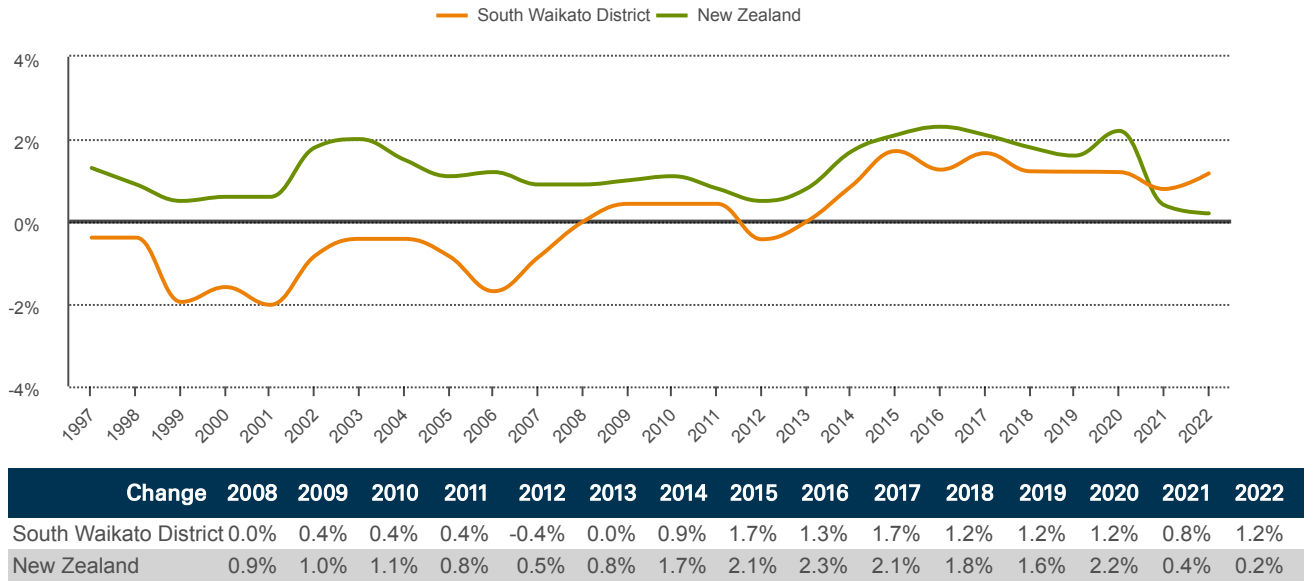
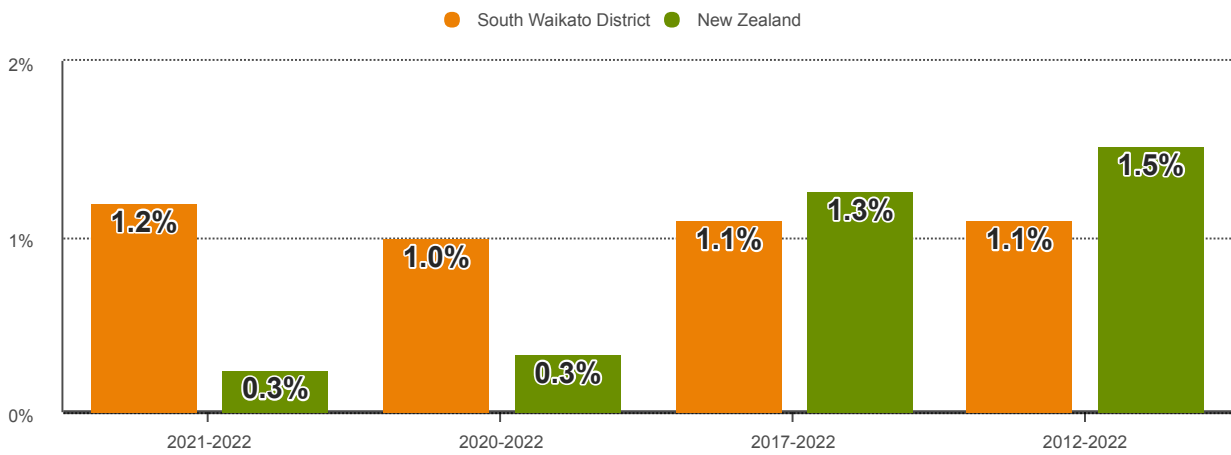


Figure 18: Population growth over the last 1, 2, 5, and 10 years

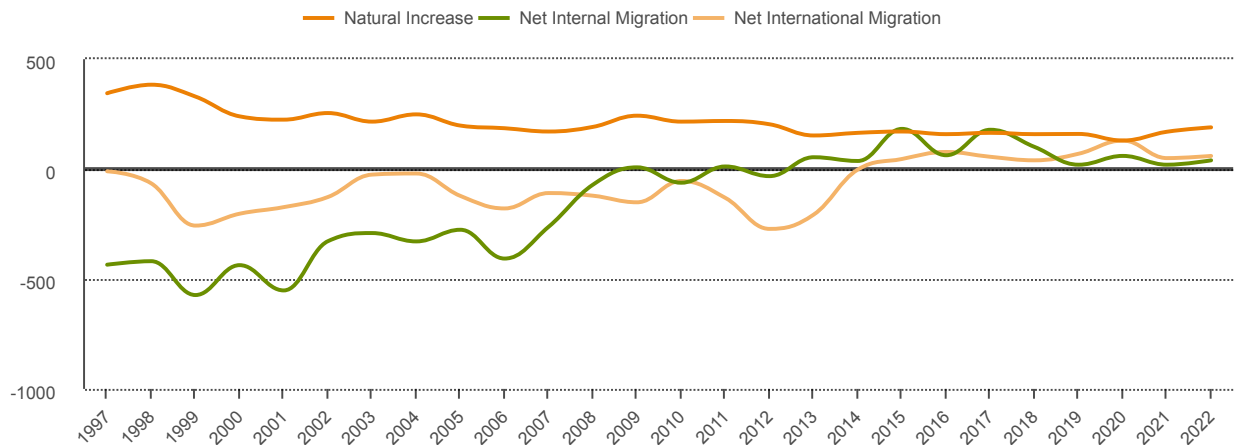


What is the source of South Waikato District's population growth?

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

- South Waikato District's population increased by 300 people in the year to June 2022. This net increase was made up of an internal net migration of 40, an international net migration of 60, and natural increase of 190.

Figure 19: Population source of South Waikato District, 1997-2022

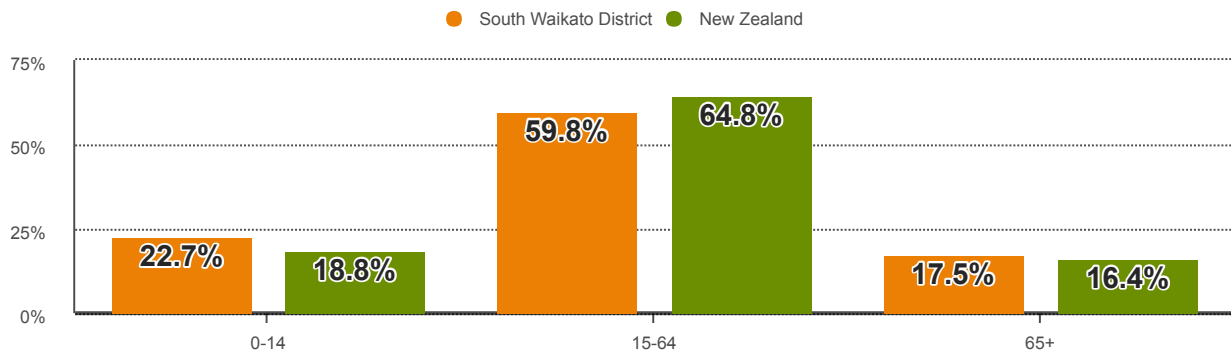


- The relative contribution of total net migration to natural growth in South Waikato District was higher than New Zealand in 2022.

What is the age structure of South Waikato District's population?

- In 2022, 59.8% of South Waikato District's population was of working age (15-64). This was significantly lower than the proportion of the national population (64.8%).
- South Waikato District had a slightly higher proportion (22.7%) of young people (0-14) than the country as a whole (18.8%) and a significantly higher proportion (17.5%) of people 65 years and older compared with New Zealand (16.4%).
- Overall the dependency ratio in South Waikato District (67.2%) was higher than in the national economy (54.4%). The dependency ratio expresses the number of persons outside of the working age as a proportion of the number of persons of working age (15 to 64 years).

Figure 20: Age composition of the population, year to June 2022



STANDARD OF LIVING

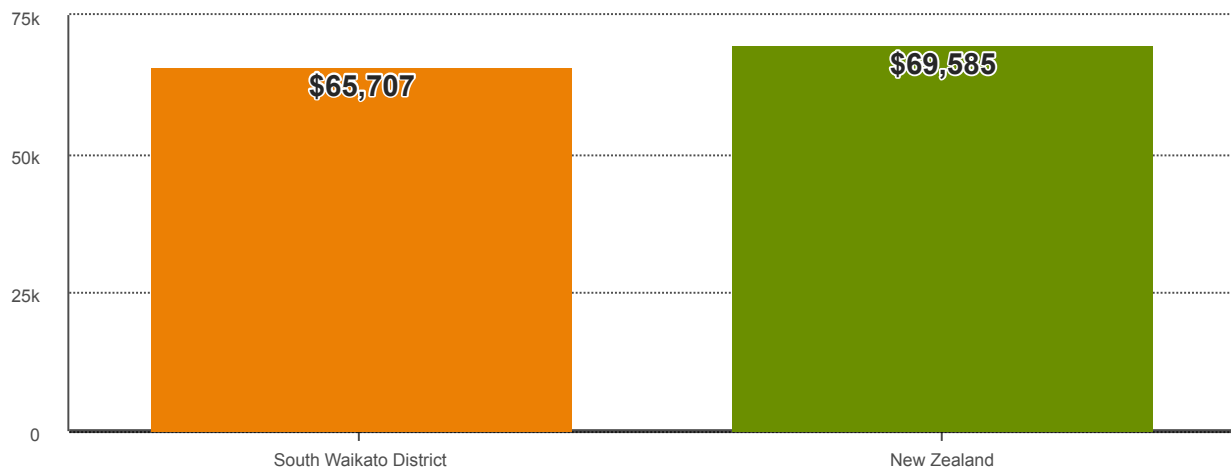
This section describes a few indicators of economic standard of living. It investigates average earnings, house prices and housing affordability.

What are the mean earnings in South Waikato District?

Income earned in employment is an important source of household income, well-being and choices available. Average earnings in an area are determined by a number of factors including the industries in the area, the skills required in these industries and the ability of employers to find appropriately skilled labour.

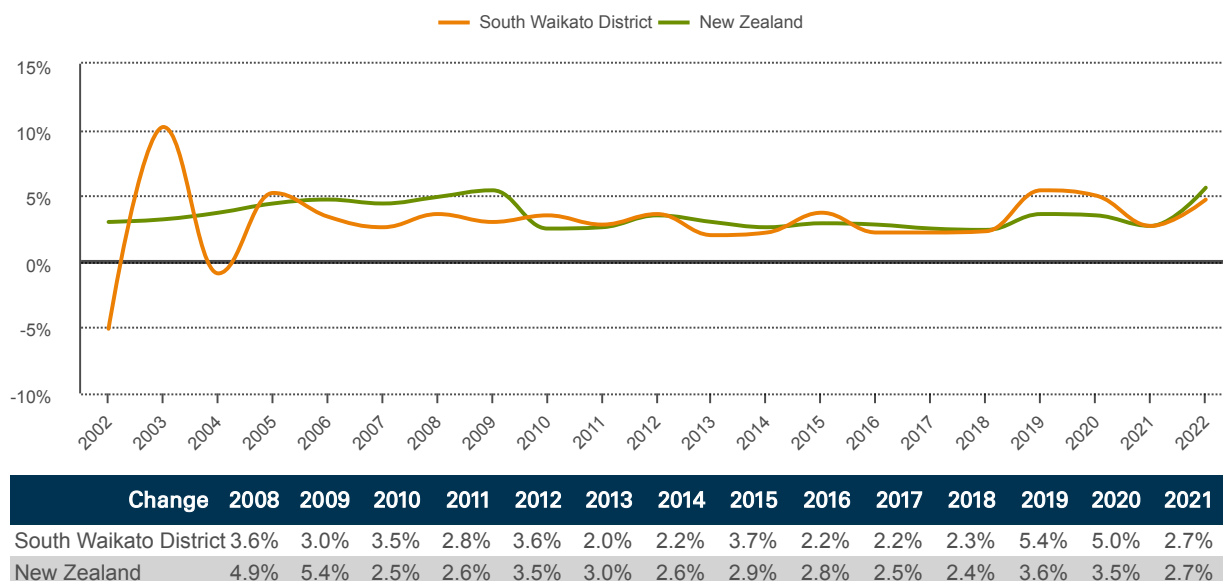
This section looks at how average annual earnings in the South Waikato District has changed over time and how this compares against annual average earnings nationally.

Figure 21: Earnings, 2022



- Mean annual earnings in South Waikato District was \$65,707 in the year to March 2022, which was lower than the New Zealand mean of \$69,585.
- Mean earnings in South Waikato District increased by 4.7% over the year to March 2022 compared with an increase of 5.6% in New Zealand.
- Over the last ten years earnings growth in South Waikato District reached a maximum of 10.2% in 2003 and a minimum of -5.1% in 2002.

Figure 22: Annual earnings growth, 2002-2022

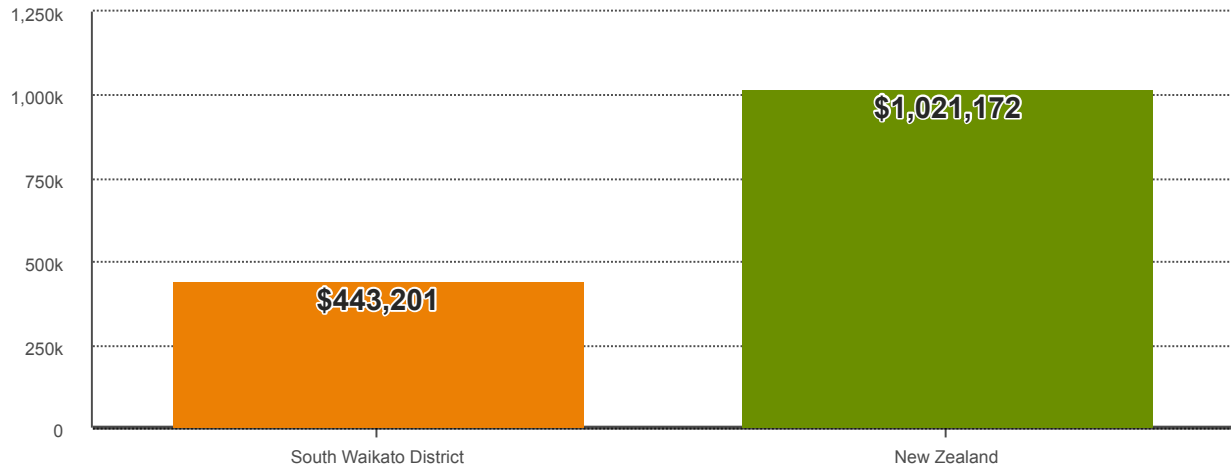


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How do house prices in South Waikato District compare?

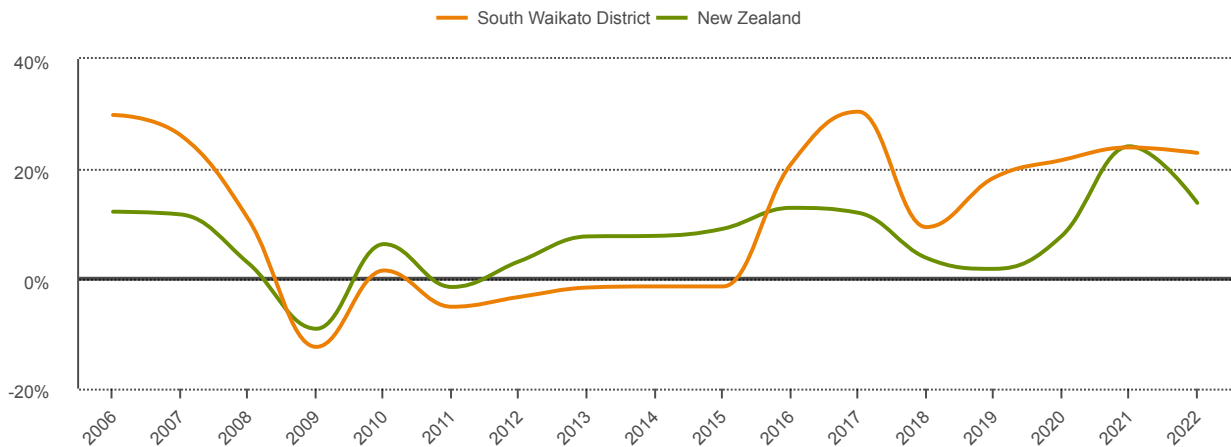
The cost of housing is a major component of household spending. This section describes the cost of housing in South Waikato District relative to the rest of the country.

Figure 23: Average current house value, 2022



- The Average current house value in South Waikato District was \$443,201 in 2022, which was lower than the New Zealand median of \$1,021,172.
- House price growth in South Waikato District was 22.9% for the year to March 2022. Growth was stronger than in New Zealand (13.8%).

Figure 24: Annual Average current house value growth, 2006-2022

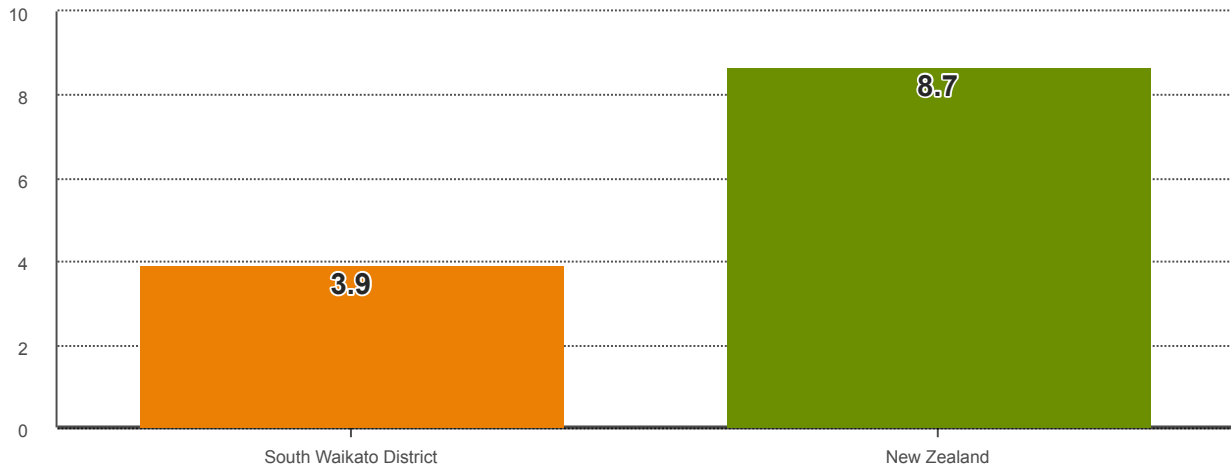


Change	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
South Waikato District	10.8%	-12.4%	1.5%	-5.1%	-3.3%	-1.6%	-1.4%	-1.4%	20.8%	30.4%	9.4%	18.4%	21.6%	23.9%	22.9%
New Zealand	2.8%	-9.1%	6.3%	-1.5%	3.2%	7.7%	7.8%	9.1%	12.9%	12.0%	3.8%	1.8%	7.8%	24.1%	13.8%

How affordable is housing in South Waikato District?

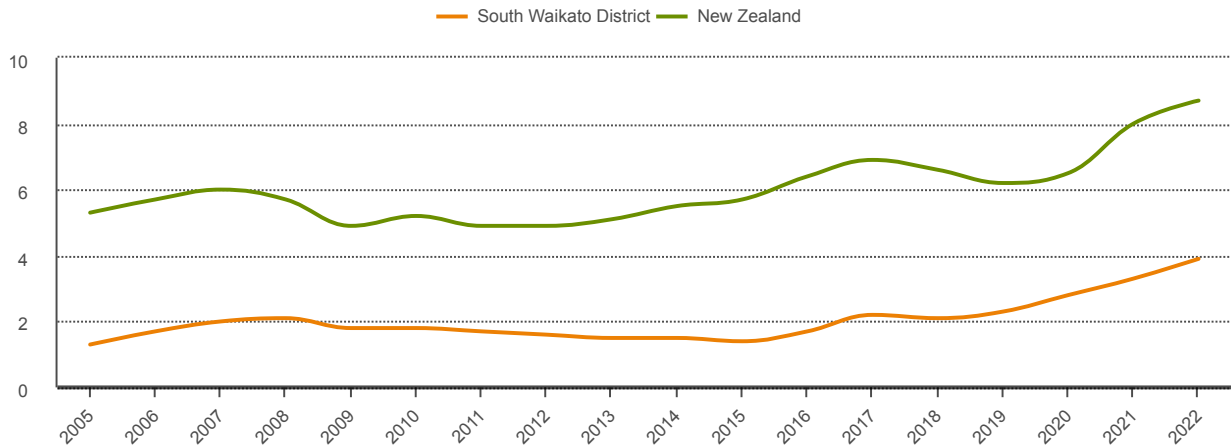
This section investigates the affordability of housing by comparing average current house values with average earnings. We have estimated a housing affordability index which is the ratio of the average current house value to annual average earnings measured in the Linked Employer Employee Data. A higher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

Figure 25: Housing affordability index, 2022



- The housing affordability index in South Waikato District was 3.9 in the year to March 2022, which was lower than New Zealand's index of 8.7. This means that housing is more affordable in South Waikato District than in New Zealand.

Figure 26: Housing affordability, 2005-2022



Level	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
South Waikato District	2.1	1.8	1.8	1.7	1.6	1.5	1.5	1.4	1.7	2.2	2.1	2.3	2.8	3.3	3.9
New Zealand	5.7	4.9	5.2	4.9	4.9	5.1	5.5	5.7	6.4	6.9	6.6	6.2	6.5	8.0	8.7

TOURISM

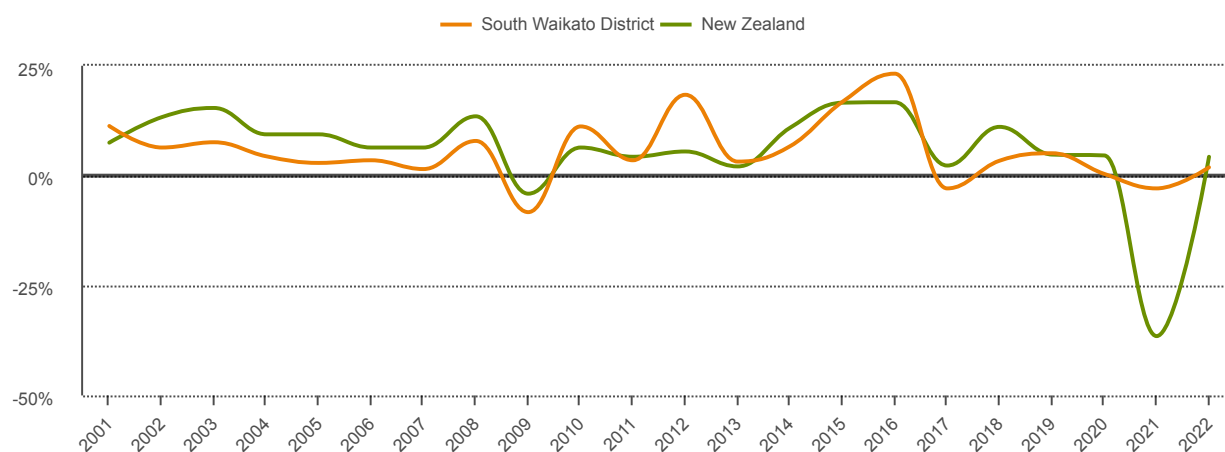
Tourism has grown rapidly in New Zealand since 2000. Not only has the number of overseas tourist arrivals increased substantially, but the level of domestic tourism has also expanded rapidly as spending on leisure by New Zealand residents increased. This section describes the contribution of tourism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

Tourism GDP

Table 12: Tourism GDP, 2001-2022

Year	South Waikato District		New Zealand	
	Level	Change	Level	Change
2000	\$8.09m		\$3,239m	
2001	\$9.00m	11.3%	\$3,484m	7.5%
2002	\$9.58m	6.4%	\$3,948m	13.3%
2003	\$10.3m	7.6%	\$4,555m	15.4%
2004	\$10.8m	4.4%	\$4,982m	9.4%
2005	\$11.1m	2.9%	\$5,452m	9.4%
2006	\$11.5m	3.5%	\$5,800m	6.4%
2007	\$11.6m	1.5%	\$6,172m	6.4%
2008	\$12.6m	7.9%	\$7,004m	13.5%
2009	\$11.5m	-8.3%	\$6,718m	-4.1%
2010	\$12.8m	11.2%	\$7,151m	6.4%
2011	\$13.2m	3.5%	\$7,460m	4.3%
2012	\$15.7m	18.4%	\$7,869m	5.5%
2013	\$16.2m	3.2%	\$8,033m	2.1%
2014	\$17.3m	6.7%	\$8,908m	10.9%
2015	\$20.2m	16.8%	\$10,385m	16.6%
2016	\$24.8m	23.2%	\$12,121m	16.7%
2017	\$24.1m	-2.9%	\$12,405m	2.3%
2018	\$24.9m	3.4%	\$13,788m	11.1%
2019	\$26.2m	5.1%	\$14,444m	4.8%
2020	\$26.3m	0.4%	\$15,108m	4.6%
2021	\$25.6m	-2.9%	\$9,588m	-36.5%
2022	\$26.0m	1.9%	\$10,005m	4.3%

Figure 27: Annual average tourism GDP growth, 2001-2022



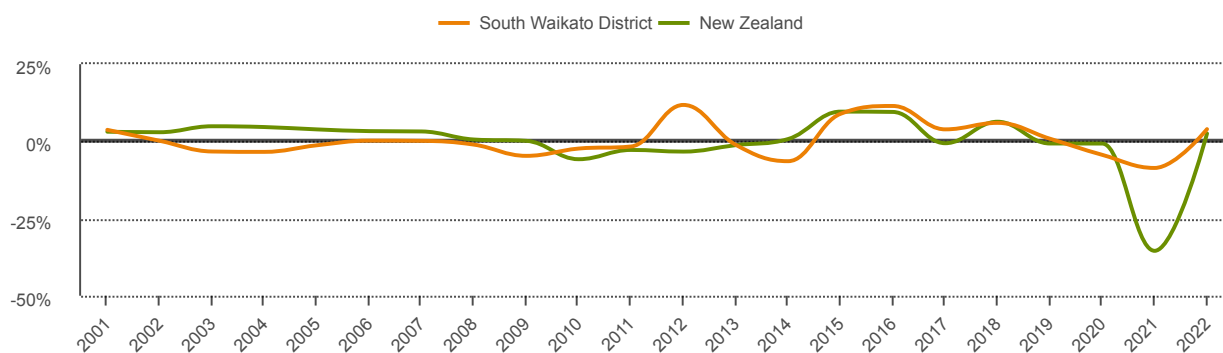
- The tourism industry contributed \$26.0m towards GDP in South Waikato District in 2022. This amounted to 1.7% of the South Waikato District's economic output in 2022, up from 1.3% ten years ago.
- Economic output in South Waikato District's tourism industry increased by 1.9% in 2022, compared with a 4.3% increase in New Zealand.
- Growth in the industry in South Waikato District has averaged 5.2% over the last ten years, compared with 2.4% in New Zealand.

Tourism Employment

Table 13: Tourism employment, 2001-2022

Year	South Waikato District		New Zealand	
	Level	Change	Level	Change
2000	466		152,607	
2001	483	3.7%	157,386	3.1%
2002	484	0.2%	162,042	3.0%
2003	468	-3.3%	169,968	4.9%
2004	452	-3.4%	177,861	4.6%
2005	446	-1.3%	184,761	3.9%
2006	447	0.2%	190,893	3.3%
2007	448	0.2%	197,028	3.2%
2008	444	-1.0%	198,219	0.6%
2009	423	-4.7%	198,558	0.2%
2010	413	-2.3%	187,083	-5.8%
2011	406	-1.7%	181,881	-2.8%
2012	454	11.8%	175,866	-3.3%
2013	449	-1.1%	173,724	-1.2%
2014	420	-6.4%	175,023	0.7%
2015	458	8.9%	191,886	9.6%
2016	510	11.5%	210,180	9.5%
2017	530	3.9%	208,920	-0.6%
2018	562	6.0%	222,201	6.4%
2019	566	0.9%	220,665	-0.7%
2020	542	-4.4%	219,093	-0.7%
2021	495	-8.6%	141,417	-35.5%
2022	515	4.0%	145,032	2.6%

Figure 28: Annual average tourism employment growth, 2001-2022



- The tourism industry employed an average of 515 people in South Waikato District in 2022. This amounted to 4.9% of the South Waikato District's total employment in 2022, up from 4.7% in 2012.
- Employment growth in the industry in South Waikato District has averaged 1.3% over the last ten years, compared with -1.9% in New Zealand.
- Employment in the tourism industry increased by 4.0% in 2022, compared with a 2.6% increase in New Zealand.

TECHNICAL NOTES

Time period

This economic profile reports on March years (eg 2022 refers to the 12 months to March 2022) for all indicators except population (as at June) and dairy sector statistics (May year) and business units (snapshot as at February).

Broad economic sectors

Primary industries extract or harvest products from the earth and include agriculture, forestry, fishing, and mining. Goods-producing industries produce manufactured and other processed goods and include manufacturing, electricity, gas and water, and construction. High-value services include **knowledge intensive** service industries. Other services include all service industries that are not knowledge intensive, such as retail trade, and food and accommodation services. 'Other' includes owner occupied property operation and **unallocated** activity.

Broad skill levels

Highly skilled occupations typically require a bachelor degree or higher qualification and include professionals such as accountants, teachers, and engineers, as well as most managers such as chief executives. This category is consistent with skill level one of the Australia New Zealand Standard Classification of Occupations (ANZSCO).

Medium-high skilled occupations typically require an NZ Register Diploma, an Associate Degree or Advanced Diploma. The category includes some managers (such as retail managers) and technicians (such as architectural draftspersons, ICT support technicians and dental hygienists). This category is consistent with skill level two of the ANZSCO classification.

Medium skilled occupations typically require an NZ Register Level 4 qualification. The category includes tradespersons (such as motor mechanics), skilled service workers (such as firefighters), as well as skilled clerical and sales workers (such as legal secretaries and estate agents). This category is consistent with skill level three of the ANZSCO classification.

Low skilled occupations typically require an NZ Register Level 3 qualification or lower. It includes a range of lower skilled occupations from general clerks, caregivers, and sales assistants, through to cleaners and labourers. This category is consistent with skill level four and five of the ANZSCO classification.

Business units

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

The number of business units is based on a snapshot as at February each year.

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

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

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

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

Dependency ratio

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

Earnings

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

Employment by industry

Employment is measured as an average of the four quarters making up each year. The unit of measurement is filled jobs, based on work place address.

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

Employment by occupation

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

Employment by qualification and field of study

Employment by occupation is converted to employment by qualification using the unique matching between occupation and **the five qualification or skill levels used** in the Australian New Zealand Standard Classification of Occupations (ANZSCO). Fields of study for each combination of occupation and skill are obtained from Population Census. Shares of employment in a particular occupation and skill combination for each field of study can, thus, be aggregated into demand for labour by skill/qualification.

Gross Domestic Product

Gross Domestic Product (GDP) measures the value economic units add to their inputs. It should not be confused with revenue or turnover.

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

In this profile Gross Domestic Product for each region and territorial authority (TA) is estimated by Infometrics. A top-down approach breaks national production-based GDP for each industry (published by Statistics New Zealand) down to territorial authority level by applying TA shares to the national total. Each TA's share of industry output is based on the share of employment measured in the Linked Employer Employee Data (LEED), which is, in turn, based on taxation data. Our estimates are benchmarked on regional GDP published by Statistics New Zealand which ensures we capture differences in regional industry productivity and changes in productivity over time. In the 2022 GDP estimates we incorporate Infometrics' estimates of the proportions of industries in each territorial authority which were able to operate under each COVID-19 alert level to capture the economic impacts of the pandemic.

GDP is measured in constant 2022 prices.

Household income

The Infometrics household income series is a comprehensive estimate of average household incomes within each region or territorial authority area. The series captures labour market earnings (wages, salaries and self-employment) as well as allowances (e.g. Disability Allowance), benefits (e.g. Jobseeker Support) and superannuation. Investment income is excluded.

Infometrics models the series with a top-down approach, first measuring all incomes received by households in New Zealand, then apportioning them to smaller areas using various sources of administrative data. As there is a time lag in the availability of administrative data we use contemporary indicators to project our estimates to the most recent quarter. Infometrics estimates of the number of occupied private households are used to translate total income in each area into a per household mean.

The Infometrics household income series tends to be slightly higher than Census measures. Census tends to underestimate household incomes because individuals often fail to recall all their income when completing their Census form.

House values

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

Industrial classification

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

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

Knowledge intensive employment

Knowledge intensive employment is measured as employment in industries (measured at the 7-digit industry level) which are defined as **knowledge intensive**.

Knowledge intensive industries

Knowledge-intensive industries are industries that satisfy two basic criteria: At least 25 per cent of the workforce must be qualified to degree level and at least 30 per cent of the workforce must be employed in professional, managerial, as well as scientific and technical occupations.

Māori industry and occupational employment

Infometrics models Māori industry and occupational employment data by drawing on detailed data from the Census, Household Labour Force Survey (HLFS) as well as the Infometrics Regional Employment Industry Model (REIM) and the Infometrics Regional Industry-Occupational matrix. Employment is measured at the place of work.

Population

The population numbers presented in this profile are based on Statistics New Zealand's Estimated Resident Population (ERP). The ERP is an estimate of all people who usually live in an area at a given date. Visitors from elsewhere in New Zealand or from overseas are excluded.

The ERP is not directly comparable with the census usually resident population count because of a number of adjustments. The ERP at 30 June 2018 is based on the 2018 census usually resident population count, adjusted for:

- net census undercount (based on the 2018 Post-enumeration Survey)
- residents temporarily overseas on census night
- births, deaths, and net migration between census night and the date of the estimate
- reconciliation with demographic estimates at ages 0–9 years.

Prices

In this profile, we present all GDP estimates in constant 2022 prices. GDP presented in constant prices is sometimes referred to as real GDP. By using constant prices we remove the distractionary effect of inflation. It enables us to meaningfully compare GDP from one year to the next.

Productivity

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

Self-employment

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

Tourism employment

Our estimates of tourism employment leverage off our tourism GDP estimates. We are able to use our understanding of the proportion of output in each industry in a territorial authority that is associated with tourism and apply this proportion to underlying employment levels in that industry. Summing up tourism employment by industry gives us an indication of the total number of jobs in a region that are attributable to the tourism industry.

Tourism GDP

Our estimates of tourism GDP are measured in millions of dollars and are in 2022 **prices**. The estimates draw on the Tourism Satellite Accounts (TSA) published by Statistics New Zealand, in conjunction with data on guest nights, visitor expenditure data from MBIE, and Infometrics' regional GDP model. The TSA estimates the contribution of the tourism industry to GDP nationally. For the years 2009-2013, we have apportioned tourism GDP from the TSA to each territorial authority (TA) using constrained shares of visitor expenditure from MBIE's visitor expenditure data.

For the years before 2009, we have calculated growth rates in each TA's tourism GDP, by adjusting TSA industry ratios (that summarise the proportion each industry's output associated with tourism) and applying these adjusted ratios to our estimates of the TA's GDP. Our adjustment takes into consideration each TA's relative exposures to industries and guest night shares compared to the national economy. The estimates for each TA are then benchmarked on the national total from the TSA.

Unallocated

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