

WELLINGTON CITY ANNUAL ECONOMIC PROFILE

1. Purpose of report

The purpose of this report is to introduce the results from the annual economic profile for Wellington City for 2013. The report also includes summary information in the form of two infographics. The first provides a summary at a glance of the performance of a broad range of economic measures for Wellington City, while the second ranks Wellington City in NZ by a number of key long-term and annual economic indicators.

2. Executive summary

The results from the annual economic profile portray a positive picture of Wellington City making a good recovery and creating new value added jobs in the process.

Key highlights include:

GDP growth

GDP in Wellington City in the year to March 2013 is up 2.6% from a year earlier. This compared to New Zealand's GDP which increased by 2.6% over the same period.

Higher value-adding, knowledge based service industries accounted for the largest proportion of GDP (55.2%) in Wellington City. This has increased from 54.8% in 2012. Nationally these industries accounted for 31.1% of the economy. This sector has added 2,165 jobs between 2012 and 2013.

Employment

Total employment in Wellington city averaged 151,853 in the year to March 2013, up 0.7% from a year earlier. Employment in New Zealand increased by 0.8% over the same period.

Professional, scientific and technical services made the largest contribution to employment growth in Wellington City between 2012 and 2013 with the industry adding 968 jobs. The next largest contributor was public administration and safety (689 jobs) followed by financial and insurance services (299 jobs).

Productivity

GDP per employee in Wellington city measured \$118,074 in the year to March 2013, which was 29.2% higher than the national level.

Productivity in Wellington City, increased by 1.9% from a year earlier compared with an increase of 1.7% in the national economy.

Population Growth

Population growth which is an indicator of Wellington city's attractiveness as a place to work and live, is up 0.9% from a year earlier. The city's total population was 204,000 in June 2013. This compared to New Zealand's total population which grew by 0.9% over the same period.

Standard of Living

The median annual earnings in Wellington City was \$65,370 in the year to March 2013, which was higher than the national median of \$50,110. The Wellington City figure is the highest in the country.

Median earnings in Wellington City increased by 2.7% over the year to March 2013, compared with an increase of 0.4% at the national level.

3. Recommendations

Officers recommend that the Economic Growth and Arts Committee.

1. *Note that the results from the report are for the year ended March 2013 and that more recent economic information will be available in the Wellington City Quarterly Economic Update due in early March.*

4. Background

This report is the first produced that provides comprehensive annual economic information for Wellington City. Prior reports provided information at a Wellington region level. However, a summary infographic containing key economic measures for Wellington City was produced in 2012.

The economic information is attached as appendices to this paper. They are:
Appendix one - Wellington City as a Glance 2013
Appendix two - Wellington City's Rank in NZ 2013
Appendix three- Annual Economic Profile, Wellington City 2013

5. Conclusion

The results from the report provide a number of positive messages about the performance of the Wellington economy, particularly the strong growth in higher value-adding, knowledge based service industries.

The annual economic profile report for Wellington City will be repeated on an annual basis. The results from the report are being used to benchmark our performance in terms of employment and growth targets set in the Wellington City Economic Development Strategy.

Contact Officer: *John Clarke, Senior Research Analyst, Research and Evaluation X 8973.*

SUPPORTING INFORMATION

1) Strategic fit / Strategic outcome

Not applicable

2) LTP/Annual Plan reference and long term financial impact

Nil

3) Treaty of Waitangi considerations

There are no specific Treaty considerations.

4) Decision-making

No decision sought.

5) Consultation

Not applicable

6) Legal implications

Nil anticipated.

7) Consistency with existing policy

Not applicable.