



economics

Report to:

Nature Coast Enterprise

**CHARACTERISTICS OF THE
NATURE COAST LABOUR FORCE**

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July 2010

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BERL ref #4896

JEL classification R11 – Regional Economic Activity: Growth, Development and Changes

Characteristics of the Nature Coast labour force

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1 Summary

This report was prepared by BERL for Nature Coast Enterprise, which represents the combined area of the Kapiti Coast and Horowhenua Districts. The report considers the characteristics of the Nature Coast work force – both people working on the Nature Coast who live locally or commute to work in the area; and Nature Coast residents working in the area or beyond. It compares these characteristics with those of Wellington Urban, made up of the four cities in the Wellington Region – Wellington, Porirua, Lower Hutt, and Upper Hutt, and New Zealand.

Personal incomes and productivity

- The average labour productivity of Nature Coast workers is more than expected based on median personal incomes. The average worker there produced 3.7 times as much GDP as their personal incomes in 2006, compared with 3.2 times for Wellington Urban.
- The personal incomes profile for residents of Nature Coast is fairly similar to that of Wellington Urban across most bands, but the industry profile for Wellington Urban means it has a higher share of residents earning in the top income brackets.

Industry profile, occupations, and qualifications

- The Nature Coast has high concentrations of employment in construction; mining and utilities; retail trade; agriculture; and health and community services.
- As a result, large portions of its workers work as trades people and agriculture workers (eight percent each) compared to workers in Wellington Urban.
- Qualifications of people who live and/or work on the Nature Coast vary significantly from those of the Wellington Urban area at both ends of the spectrum. Larger shares of Nature Coast residents and workers have no qualifications, and smaller shares have bachelor's or higher qualifications than in Wellington Urban.

Travel to work

- Seventy percent of Nature Coast residents who work do so on the Nature Coast, while 14 percent travel to Wellington City.
- Almost all people working on the Nature Coast live locally (93 percent).
- Around two thirds of Nature Coast residents who work travel to work by car. A similar share of people who work in the Nature Coast travel to work there by car.
- The industry profile of Nature Coast (a higher share of employment in agriculture) means that larger portions of people travel to work by active modes (walking or cycling), or work at home, than in more areas like Wellington Urban.

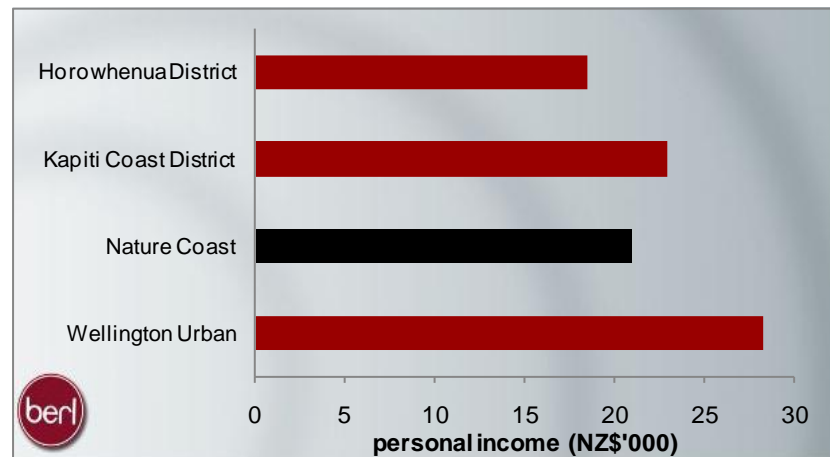
2 Personal incomes and productivity

This chapter considers differences in labour productivity between the Nature Coast and Wellington Urban. It also examines differences in personal incomes (as a proxy for labour costs) of Nature Coast and Wellington Urban residents and workers, highlighting the value of workers on the Nature Coast.

2.1 Workers on the Nature Coast

Figure 2.1 presents the median annual personal incomes of workers on the Nature Coast compared to Wellington Urban in the 2006 census year.

Figure 2.1 Personal incomes, Nature Coast and Wellington Urban workers, 2006



On average, workers on the Nature Coast earned around \$21,000 a year in 2006, compared with the Wellington Urban median of \$28,300.

Table 2.1 presents personal incomes and GDP per full-time equivalent worker (FTE) figures for Nature Coast, Wellington Urban, and New Zealand.

Table 2.1 Personal income and GDP/FTE, 2006

	Kapiti Coast District	Nature Coast	Wellington Urban	New Zealand
GDP/FTE (2006)				
Personal income	\$23,000	\$21,024	\$28,300	\$24,400
Share of total GDP	27.4	26.7	31.1	29.3
Total GDP/FTE	\$83,998	\$78,766	\$90,984	\$83,136
GDP/Pers income ratio	3.7	3.7	3.2	3.4

source: BERL, Census

The table shows that personal incomes account for around 27 percent of GDP produced by each FTE on the Nature Coast, compared with 31 percent for Wellington Urban, and 29

percent for New Zealand. Put another way, this means that workers on the Nature Coast produce, on average, 3.7 times their personal incomes in GDP, compared to just 3.2 times in Wellington urban and 3.4 times in New Zealand overall. The implication is that workers on the Nature Coast provide good value in terms of what they produce (output or labour productivity) relative to personal incomes.

The Kapiti Coast District similarly has a ratio of GDP to personal incomes of around 3.7. Average GDP/FTE is slightly higher there than in New Zealand overall, while personal incomes are slightly lower.

2.2 Residents of Nature Coast

Figure 2.2 presents the personal income brackets of Nature Coast and Wellington Urban residents for the 2006 census year. Actual numbers of people with each level of personal income can be found in the appendices

Figure 2.2 Personal incomes of Nature Coast and Wellington Urban residents, 2006



The income disparity is not as wide as might be expected. A far larger share of working age residents of the Nature Coast (40 percent) is not in the labour force than in Wellington Urban (28 percent), a result of the large number retirees on the Nature Coast.

Thus we might expect that the share of residents on incomes below \$20,000 a year would be far higher than for Wellington Urban. But in reality, the figure for Nature Coast is 28 percent, compared to 22 percent for Wellington urban. There is a particularly large portion of people in Wellington Urban earning above \$50,000 as a result of the area's industry profile and the high labour force participation rate.

One significant difference in the Kapiti Coast District, is that around 27 percent of people were earning over \$50,000 in 2006, compared with the Nature Coast average of 23 percent. At the other end of the spectrum, 26 percent of people earned under \$20,000, compared to 28 percent for the Nature Coast.

3 Industry profile, occupations, and qualifications

This chapter examines the industry profile of the Nature Coast in contrast to Wellington Urban, as well as occupations and qualifications of people working and/or living on the Nature Coast and in Wellington Urban.

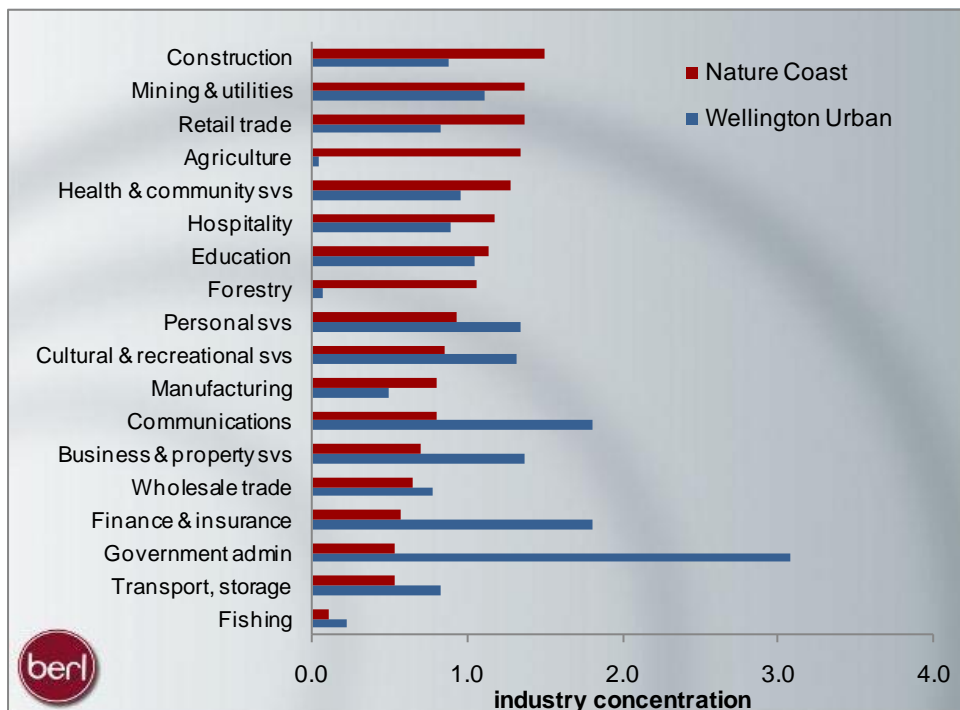
3.1 Workers on the Nature Coast

Figure 3.1 shows which industries are particularly strongly-represented on the Nature Coast compared with Wellington Urban and New Zealand. Actual numbers of people employed within each industry are provided in the appendices.

By definition, New Zealand has an industry concentration of 1.0 for all industries. A figure higher than 1.0 indicates a high concentration of that industry in an area, while a figure below 1.0 means the industry is underrepresented in an area.

When an industry is strongly represented in an area, it suggests that the area likely has a competitive advantage in that industry, which is why it is concentrated there. On the other hand, it means that a downturn in that industry will leave the area exposed.

Figure 3.1 Industry concentrations, Nature Coast and Wellington urban, 2009



The Nature Coast has particularly strong industry concentrations in construction; mining and utilities; retail trade; agriculture; and health and community services. At the other end of the

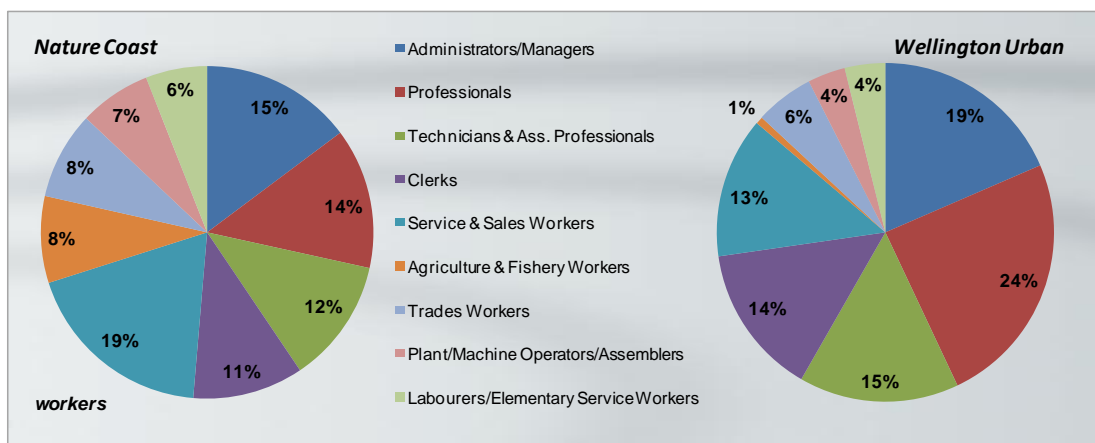
spectrum, it has low representation in business services; finance and insurance; government; and transport.

This profile is not unexpected. Many of the high-end business services are currently provided by Wellington Urban. As Nature Coast moves up the value chain, significant opportunities exist to develop these industries on there. Meanwhile, many of the construction businesses serving Wellington are based on the Nature Coast. The Nature Coast's status as a popular retirement area also means it has a strong representation of the health and community services industry.

The Kapiti Coast District has a strong concentration of employment in construction (1.84), retail trade (1.51), health and community services (1.40) and hospitality (1.33).

Figure 3.2 presents the occupations of Nature Coast and Wellington Urban workers for the 2006 census year. Actual numbers of people employed in each occupation can be found in the appendices.

Figure 3.2 Occupations of Nature Coast and Wellington Urban workers, 2006



Around 40 percent of workers on the Nature Coast work as managers, professionals and technicians. This compares with 58 percent in Wellington Urban. Given the more rural environment of the Nature Coast, it is no surprise that a far larger proportion of people there are employed as agriculture workers, at eight percent.

In the Kapiti Coast District, a smaller share of people work as agriculture workers (five percent) and as plant and machine operators (five percent) while more people work as managers and administrators (17 percent) or professionals (16 percent).

Figure 3.3 presents the qualifications of Nature Coast and Wellington Urban workers for the 2006 census year. Actual numbers of people with each level of qualification can be found in the appendices.

Figure 3.3 Qualifications of Nature Coast and Wellington Urban workers, 2006



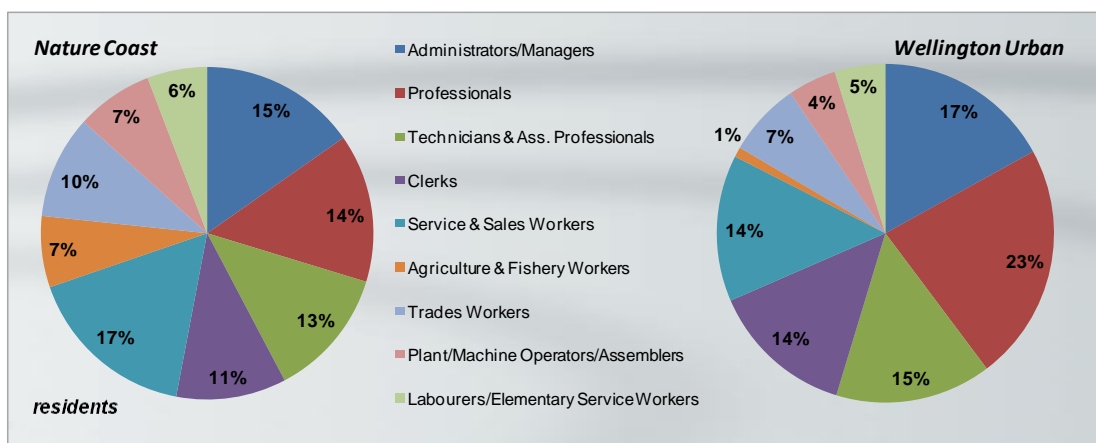
As with qualifications of residents dealt with elsewhere, we find a significant difference at the two ends of the spectrum for workers in the two areas of comparison. Around one third of Wellington Urban workers has a bachelor's or higher degree, while the figure for Nature Coast is 15 percent. One in four workers on the Nature Coast has no qualification. This is as one would expect given the industrial profile of the two areas, as shown in Figure 3.1.

People working in the Kapiti Coast District tend to have higher qualifications, with 18 percent having no qualifications and slightly higher shares of people with all other levels of qualifications.

3.2 Residents of Nature Coast

Figure 3.4 presents the occupations of Nature Coast and Wellington Urban residents for the 2006 census year. Actual numbers of people employed in each occupation can be found in the appendices.

Figure 3.4 Occupations of Nature Coast and Wellington Urban residents, 2006



The two occupations showing the widest variation across Wellington Urban and Nature Coast are professionals, and agriculture and fishery workers. While 23 percent of residents

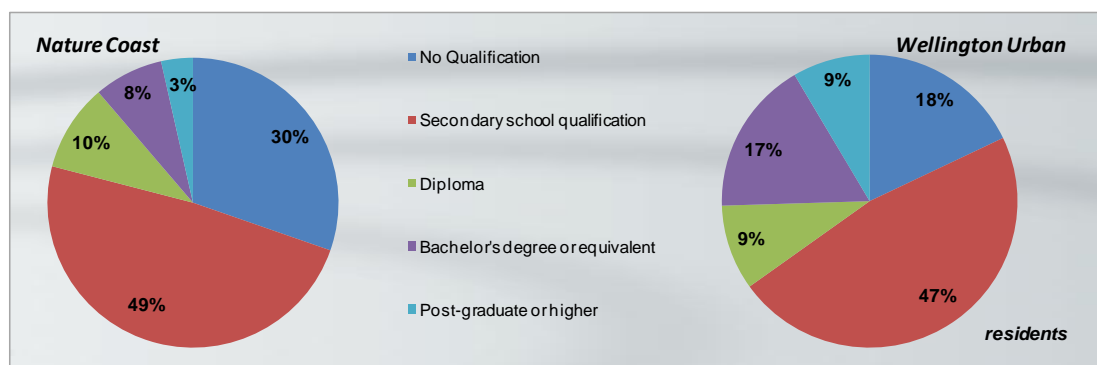
of Wellington Urban work as professionals, only 14 percent of Nature Coast residents do so. Wellington Urban, as it is mostly urban, has a very low proportion of agriculture and fishery workers, at one percent, compared with seven percent for the Nature Coast.

This pattern of occupations is unsurprising given the urban/rural mix of the two areas being compared. Wellington, with its large central government industry, and focus on business services, has a larger share of professionals and technicians. Nature Coast is more rural, and is the base for many trades-related businesses, with the result that larger shares of people are employed as trades workers and in agriculture-related occupations.

As with workplace occupations, there are higher shares of administrators and managers (17 percent), and professionals (17 percent) living in the Kapiti Coast District. There are lower proportions of plant and machine operators (five percent) and agriculture workers (four percent).

Figure 3.5 presents the qualifications of Nature Coast and Wellington Urban residents for the 2006 census year. Actual numbers of people with each level of qualification can be found in the appendices.

Figure 3.5 Qualifications of Nature Coast and Wellington Urban residents, 2006



The major differences between the two areas of comparison are the number of people at the ends of the qualifications spectrum. Wellington Urban, with a large number of government and business services jobs, has a particularly high share of residents with post-graduate and bachelor's degrees, while just one in five people have no qualification. On the Nature Coast, one in three people have no qualification, while one in nine have a bachelor's or higher degree.

In the Kapiti Coast District, 24 percent of residents have no qualifications, while slightly higher proportions of residents have other qualifications than in the whole of the Nature Coast area.

4 Travel to work

This chapter examines how and where residents of Kapiti and Horowhenua travel to work, and where workers on the Nature Coast come from.

4.1 Workers on the Nature Coast

Table 4.1 shows where people who work on the Nature Coast live, and how they travel to the Nature Coast to work. The first table provides the actual numbers of people, while the second shows the share of local employment.

Table 4.1 Where Nature Coast workers live and how they get to work, 2006

Residential Address (employees)	Private vehicle	Public Bus	Train	Bicycle or walked	Worked at home	Other	Total
Horowhenua District	5,825	16	0	882	1,131	988	8,841
Kapiti Coast District	6,650	151	74	758	1,693	1,495	10,821
Porirua City	215	0	10	0	0	39	264
Upper Hutt City	39	0	0	0	0	9	48
Lower Hutt City	93	0	14	0	0	10	117
Wellington City	208	15	18	18	0	49	309
Palmerston North City	262	0	0	6	0	32	300
Manawatu District	124	0	0	0	0	11	135
Wairarapa Area	18	0	0	0	0	0	18
The Rest of New Zealand	257	6	0	29	10	61	363
Total	13,692	188	116	1,694	2,833	2,693	21,216

Source: BERL, Census

Residential Address (share of workforce)	Private vehicle	Public Bus	Train	Bicycle or walked	Worked at home	Other	Total
Horowhenua District	27.5	0.1	0.0	4.2	5.3	4.7	41.7
Kapiti Coast District	31.3	0.7	0.3	3.6	8.0	7.0	51.0
Porirua City	1.0	0.0	0.0	0.0	0.0	0.2	1.2
Upper Hutt City	0.2	0.0	0.0	0.0	0.0	0.0	0.2
Lower Hutt City	0.4	0.0	0.1	0.0	0.0	0.0	0.6
Wellington City	1.0	0.1	0.1	0.1	0.0	0.2	1.5
Palmerston North City	1.2	0.0	0.0	0.0	0.0	0.1	1.4
Manawatu District	0.6	0.0	0.0	0.0	0.0	0.1	0.6
Wairarapa Area	0.1	0.0	0.0	0.0	0.0	0.0	0.1
The Rest of New Zealand	1.2	0.0	0.0	0.1	0.0	0.3	1.7
Total	64.5	0.9	0.5	8.0	13.4	12.7	100.0

Source: BERL, Census

Almost all the people who work on the Nature Coast (93 percent) live locally. Small shares of workers come from Wellington City (1.5 percent, or 309 workers), Palmerston North (1.4 percent, or 300 workers) and Porirua (1.2 percent, 264 workers).

The more rural setting of the Nature Coast means that large shares of people working there work at home (13 percent) or bicycle or walk to work (eight percent). Nevertheless, around 65 percent of people working there travelled to work by private vehicle.

Almost 90 percent of people who work in the Kapiti Coast District live locally. A further four percent travel to work in the Kapiti Coast District from Horowhenua, 2.4 percent from Wellington City, and 2.2 percent from Porirua.

4.2 Residents of Nature Coast

Table 4.2 shows where residents of Nature Coast work, and how they travel to their place of work. The first table provides the actual numbers of people, while the second shows the share of local employment.

Table 4.2 Where Nature Coast residents work and how they get there, 2006

Workplace Address (employees)	Private vehicle	Public Bus	Train	Bicycle or walked	Worked at home	Other	Total
Horowhenua District	6,912	18	0	1,044	1,220	1,168	10,362
Kapiti Coast District	8,137	172	81	897	1,850	1,863	13,000
Porirua City	887	0	89	7	0	123	1,106
Upper Hutt City	186	0	0	0	0	25	210
Lower Hutt City	858	0	10	0	10	87	965
Wellington City	2,414	103	1,480	68	47	540	4,652
Palmerston North City	1,225	11	0	7	7	184	1,434
Manawatu District	142	0	0	0	0	21	163
Wairarapa Area	58	0	0	0	0	0	58
The Rest of New Zealand	1,027	10	37	86	62	215	1,437
Total	21,846	313	1,697	2,110	3,197	4,225	33,387

Source: BERL, Census

Workplace Address (share of workforce)	Private vehicle	Public Bus	Train	Bicycle or walked	Worked at home	Other	Total
Horowhenua District	20.7	0.1	0.0	3.1	3.7	3.5	31.0
Kapiti Coast District	24.4	0.5	0.2	2.7	5.5	5.6	38.9
Porirua City	2.7	0.0	0.3	0.0	0.0	0.4	3.3
Upper Hutt City	0.6	0.0	0.0	0.0	0.0	0.1	0.6
Lower Hutt City	2.6	0.0	0.0	0.0	0.0	0.3	2.9
Wellington City	7.2	0.3	4.4	0.2	0.1	1.6	13.9
Palmerston North City	3.7	0.0	0.0	0.0	0.0	0.6	4.3
Manawatu District	0.4	0.0	0.0	0.0	0.0	0.1	0.5
Wairarapa Area	0.2	0.0	0.0	0.0	0.0	0.0	0.2
The Rest of New Zealand	3.1	0.0	0.1	0.3	0.2	0.6	4.3
Total	65.4	0.9	5.1	6.3	9.6	12.7	100.0

Source: BERL, Census

Around 70 percent, or 23,360 workers who live on the Nature Coast, work there as well. A further 14 percent (4,650) travel to Wellington City for work. A small share travel to Palmerston North (4.3 percent).

Around two thirds of workers who live on the Nature Coast travel to work by car, while 9.6 percent work at home. With the Nature Coast's strong links to Wellington City, it is no surprise that five percent of people travelled by train south along the main trunk line to places in Kapiti, Porirua and Wellington.

Around 89 percent of people who work in the Kapiti Coast District live there as well. Nearly two-thirds of residents of the Kapiti Coast District who work travelled to work by motor vehicle, including 61 percent of residents who work in the Kapiti Coast District. In other words, the means of travelling to work for Kapiti Coast District residents does not vary much whether they work locally or outside the District.

5 Appendices

Table 5.1 Personal income bands by place of residence, 2006

Income by place of residence	Horowhenua District	Kapiti Coast District	Nature Coast	Wellington Urban	New Zealand
Less than \$10,000	1,671	2,340	4,011	20,448	237,093
\$10,001 - \$20,000	2,358	2,778	5,136	20,295	260,202
\$20,001 - \$30,000	2,760	3,450	6,210	26,682	332,016
\$30,001 - \$50,000	3,798	5,862	9,660	57,246	602,064
\$50,001 or More	1,845	5,445	7,290	63,957	482,898
Not Stated	528	573	1,101	5,433	71,502
Total	12,960	20,448	33,408	194,061	1,985,775

Source: Census

Table 5.2 Employment by industry, 2009

Employment (FTEs)	Nature Coast	Wellington Urban	New Zealand
Agriculture	2,090	573	137,886
Forestry	75	45	6,302
Fishing	5	100	4,211
Mining and utilities	204	1,554	13,173
Manufacturing	2,085	11,999	229,918
Construction	2,510	13,829	148,767
Wholesale trade	902	10,141	122,883
Retail trade	3,142	17,832	203,173
Hospitality	1,120	8,051	84,872
Transport, storage	448	6,502	74,582
Communications	231	4,923	25,725
Finance and insurance	360	10,798	56,186
Business and property services	2,103	38,987	267,383
Government administration	449	24,220	74,235
Education	1,654	14,399	129,445
Health and community services	2,456	17,227	169,618
Cultural and recreational services	476	6,868	49,336
Personal services	729	9,904	69,296
Total	21,039	197,953	1,866,991

source: BERL

Table 5.3 Occupations by place of work, 2006

Occupations by place of work	Horowhenua District	Kapiti Coast District	Nature Coast	Wellington Urban	New Zealand
Administrators/Managers	1,119	1,935	3,054	30,918	283,260
Professionals	1,020	1,806	2,826	40,941	292,101
Technicians & Ass. Professionals	945	1,560	2,505	25,539	240,081
Clerks	891	1,335	2,226	24,147	218,061
Service & Sales Workers	1,539	2,337	3,876	22,548	269,232
Agriculture & Fishery Workers	1,179	564	1,743	1,170	129,654
Trades Workers	792	969	1,761	9,399	168,138
Plant/Machine Operators/Assemblers	912	531	1,443	6,003	150,321
Labourers/Elementary Service Workers	657	579	1,236	6,474	122,217
Not Elsewhere Included	264	291	555	4,485	112,707
Total	9,318	11,907	21,225	171,624	1,985,772

Source: Census

Table 5.4 Occupations by place of residence, 2006

Occupations by place of residence	Horowhenua District	Kapiti Coast District	Nature Coast	Wellington Urban	New Zealand
Administrators/Managers	1,383	3,393	4,776	31,326	283,260
Professionals	1,206	3,309	4,515	42,114	292,101
Technicians & Ass. Professionals	1,254	2,676	3,930	27,546	240,081
Clerks	1,134	2,214	3,348	25,464	218,061
Service & Sales Workers	1,953	3,288	5,241	25,929	269,232
Agriculture & Fishery Workers	1,431	735	2,166	1,770	129,654
Trades Workers	1,179	1,956	3,135	13,035	168,138
Plant/Machine Operators/Assemblers	1,332	1,005	2,337	8,538	150,321
Labourers/Elementary Service Workers	927	897	1,824	8,961	122,220
Not Elsewhere Included	1,158	966	2,124	9,369	112,707
Total	12,957	20,439	33,396	194,052	1,985,775

Source: Census

Table 5.5 Qualifications by place of work, 2006

Qualifications by place of work	Horowhenua District	Kapiti Coast District	Nature Coast	Wellington Urban	New Zealand
No Qualification	2,589	2,127	4,716	18,396	354,576
Secondary school qualification	4,587	6,141	10,728	76,719	973,824
Diploma	864	1,398	2,262	18,147	201,228
Bachelor's degree or equivalent	660	1,341	2,001	35,871	257,379
Post-graduate or higher	219	537	756	18,954	109,734
Other	402	357	759	3,543	89,037
Total	9,321	11,901	21,222	171,630	1,985,778

Source: Census

Table 5.6 Qualifications by place of residence, 2006

Qualifications by place of residence	Horowhenua District	Kapiti Coast District	Nature Coast	Wellington Urban	New Zealand
No Qualification	8,295	8,268	16,563	47,571	708,432
Secondary school qualification	9,546	17,049	26,595	125,175	1,407,786
Diploma	1,581	3,729	5,310	24,882	268,362
Bachelor's degree or equivalent	966	3,240	4,206	45,021	315,849
Post-graduate or higher	387	1,539	1,926	22,587	16,755
Other	2,742	3,432	6,174	23,538	328,014
Total	23,517	37,257	60,774	288,774	3,045,198

Source: Census

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