

COMMUNITY ECONOMY & ENVIRONMENT BULLETIN

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RECENT INFORMATION RELEASES FROM STATISTICS NZ

Bioscience survey – 2011

The information gathered in the Bioscience Survey 2011 is intended to measure the contribution of bioscience to the New Zealand economy. The survey measures the use of bioscience and its uptake by organisations. In the Waikato/Bay of Plenty region there are **71 organisations** (15% of the national total) and **209 employees** (11% of the national total) involved in bioscience research or activities.

Auckland/Northland has the most organisations and employees involved in bioscience, followed by Canterbury/Marlborough then Waikato/Bay of Plenty. The Waikato/Bay of Plenty area has the highest number of organisations involved in **animal-based** and **environmental** biosciences. Auckland/Northland bioscience is more focussed on human wellness and biomedical applications, while Canterbury/Marlborough is the largest centre for biomanufacturing, marine and freshwater and plant-based bioscience.

Unemployment – 2011 Q4

The Waikato unemployment rate was **6.3%** at the end of December 2011, **0.2% higher** than December 2010. The national unemployment rate was also **6.3%**.

Building Consents – 2011 Q4

There were **\$191 million** worth of new building consents granted in the Waikato region in the quarter ended December 2011. This is an **increase of 11%** over Q4 2010 but still well below the peak of \$307 million in Q4 2006. In New Zealand as a whole there were \$1.8 billion worth of consents, an 8% increase since last year.

Consents for alterations in the Waikato region declined from \$74 million in 2010 Q4 to \$48 million in 2011 Q4. Since 2007 there has been a decline in new building consents and an increase in alterations but this trend may be reversing now.

New building consent value growth is particularly strong in Otorohanga district (98% increase), Matamata-Piako district (63% increase) and Hamilton city (52% increase). However, territorial authority-level figures are relatively volatile and this does not necessarily mean Otorohanga is experiencing an economic boom.

Income Survey - 2011

Median weekly income for the Waikato region was **\$750** as at June 2011, an increase of 2% since 2010. This is slightly lower than the national average of **\$767**. Waikato income is 6th highest out of the 12 regions.

GENUINE PROGRESS INDICATORS - CAPITAL

The true wealth of an economy is not measured by only the flow of goods and services (GDP), but by the accumulation of durable assets (capital) which are used to produce goods and services and social outcomes. Capital may be built-up or eroded over time and these trends have important implications for future production. The following indicators include natural and human capital because these are at least as important as man-made capital (property and equipment). It is anticipated that more indicators and regional comparisons will be added as the information becomes available.

Indicator Name	Description	Trend		Current data				Previous data		
		Waikato	NZ	Time Period	Waikato region	New Zealand	Waikato rank	Time Period	Waikato region	New Zealand
Natural capital	The stock of natural ecosystems that yield a flow of ecosystem goods or services into the future									
High quality soils available for agriculture	Hectares of class 1 & 2 soils minus the area in non-agricultural use (residential subdivisions)	-1.8%	N/A	2012	247,915 (81%)	N/A	N/A	2006	253,323 (83%)	N/A
Freshwater quantity	Current allocation of freshwater, in max annual millions of cubic metres (net). Total available freshwater is not yet known and allocation reduces the water available for other uses	17%	N/A	2012	303	N/A	N/A	2007	260	N/A
Freshwater quality	Average nitrate ng/L for sites in the MFE river quality network	N/A	N/A	2007	0.34	0.22	13/15	N/A	N/A	N/A
Native land cover	Land area in native cover divided by total land area	N/A	N/A	2002	35%	50%	N/A	N/A	N/A	N/A
Physical capital	Durable goods used in the production of goods or services									
Improved value of property	Total rateable capital value minus land value of all properties (NZ\$ billions)	+2.3%	+2.5%	2011	\$50.3	\$458	N/A	2010	\$49.2	\$447
Commercial and industrial property improved value	Rateable capital value minus land value of commercial and industrial-zoned properties (NZ\$ billions)	+3.7%	N/A	2011	\$5.7	N/A	N/A	2010	\$5.5	N/A
State highways	Metres of State Highway per square metre of land area	N/A	N/A	2010	61	37	3/15	N/A	N/A	N/A
Human capital	The stock of competencies and social attributes embodied in the ability to contribute to society									
Life expectancy	Average of male and female life expectancy at birth	+1%	+2%	2007	79.5	80.3	9/16	2002	78.5	79.0
Labour force participation	Percentage of the population aged over 15 years who are employed or seeking work	+0.1%	+0.2%	2011 Q4	68.8%	68.7%	5/13	2010 Q4	68.7%	68.5%
High-school qualifications	Percentage of the population over 15 years with a high-school qualification or higher	+4%	+5%	2006	63%	67%	8/16	2001	59%	62%
Life satisfaction	Percentage of sample who answered "satisfied" or "very satisfied"	N/A	N/A	2010	86%	87%	N/A	N/A	N/A	N/A

DISCUSSION OF INDICATORS

There is currently limited regional or trend data available for natural capital in New Zealand. Ideally this section would include estimates of soil, water and air quality, biodiversity, mineral and geothermal resources and natural character. The high quality soils indicator shows that the most versatile class 1 and 2 soils are continuing to be subdivided for residential purposes and the productive capacity lost. Freshwater sources are increasingly allocated to irrigation and other business purposes but is in limited supply. For freshwater quality, the Waikato waterways included in the MFE Water Quality Network have the third highest nitrate pollution levels of any region in New Zealand.

There is also limited regional-level information about the amount of physical capital (plant and machinery) accumulated by firms. Property improvements are an imperfect estimate of overall capital investment but the trend is positive. The improved value of commercial and industrial-zoned properties have increased 3.7% in the Waikato region in the past year, compared with 2.3% for all zones. The improved value of all New Zealand properties grew by 2.5%, so Waikato region lagged behind slightly.

The human capital measures are derived mostly from census and the Household Labour Force Survey. The trends in life expectancy and education levels are positive but the Waikato region lags behind other regions in these areas also. There is also regional data for a variety of health indicators such as smoking, suicide, hospitalisations and blood pressure and people in the Waikato DHB score average or worse than the national average on these measures.

ECONOMIC RESEARCH SPOTLIGHT

Population Aging and the Labour Market – Motu Workshop

In February the University of Waikato and Motu held a two-day workshop on aging and the labour market. Natalie Jackson, from the National Institute of Demographic and Economic Analysis (NIDEA) presented a paper that examined sub-national aspects of population aging and implications for local labour markets.

- Aging populations are caused both by lower fertility and net migration losses in the 20-39 year age group. This is particularly true in smaller urban areas like Waikato towns because young people tend to move to the main centres for further education and specialised jobs.
- Workforce aging is measured by the ratio of people at labour market entry and exit ages. The Waikato region has the 5th highest ratio, so a younger age structure than most regions but slightly older than the New Zealand average (Auckland is the youngest).
- Within the Waikato region Hamilton City has the youngest age structure and Thames-Coromandel the oldest.
- An aging labour force appears to be strongly associated with a reduction in unemployment.
- An aging labour force is also moderately associated with increased employment, at least at the regional level (due to increased competition for labour).
- 84 per cent of TAs will shift to having fewer people at labour market entry age than exit age in the next decade, leading to lower unemployment and higher labour costs.

Population aging is therefore likely to have benefits for people who are still in the labour force at the time.

http://motu.org.nz/research/detail/population_ageing_and_the_labour_market