

Region faces
growth
challenge

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Regional Outlook is published by the Wellington Regional Council twice a year. In this issue, February 2002, we present a detailed analysis of the region's industries and local economies together with news about economic development activities in the region. A brief update will be published in August 2002.

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executive summary

The rate of economic growth throughout the Wellington region has slowed over the past 18 months from between 3% and 4% to between 0% and 1%. The main factors behind the slower growth include:

- *The ongoing restructuring of the important business and financial services sector*
- *Slower growth in building and construction activity*
- *The slow rate of population growth – between 0.2% and 0.4%pa*

Over the past two to three years the region has suffered from a significant level of business rationalisation and relocation that has tended to erode employment growth in the region, particularly for skilled and higher paid people. Rising public service employment over the past year has provided some counterweight to the trend in the private sector.

The government sector has always been an important part of the regional economy, and with a proactive Government the public service is beginning to expand both in numbers and in influence. That process is likely to continue over the next two years but the Government is also looking to improve the performance of the public service, which may involve fewer government agencies.

The region is working its way through a five to ten year economic transformation where key industries including – finance, insurance, manufacturing and utilities are no longer playing the leading growth role

they once did. New industries are being developed – film and television, software and IT, education and tourism – but these activities have yet to achieve the size and the economic impact that would enable them to offset the weaknesses apparent in some of the traditional lead industries.

There are however clear signs of growth amongst these new economy industries:

- The success of “The Lord of the Rings” production.
- The commitment by Ericsson Synergy to develop software for mobile phone internet applications.
- The potential establishment of a significant foreign education service on the old CIT campus.

the region *at a glance*

The Wellington region comprises:

Wairarapa – a predominantly rural sub region

Kapiti – a fast growing mainly residential area

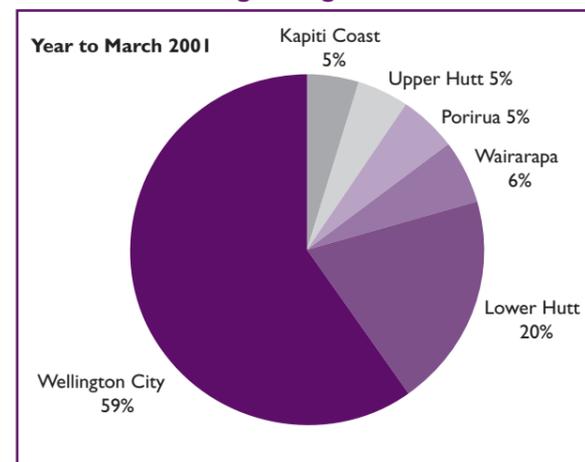
Wellington city – a centre of government as well as of business services

Cities of Upper Hutt, Lower Hutt and Porirua – manufacturing and distribution centres

The region accounts for around 11% of New Zealand's population and 13% of national economic activity.

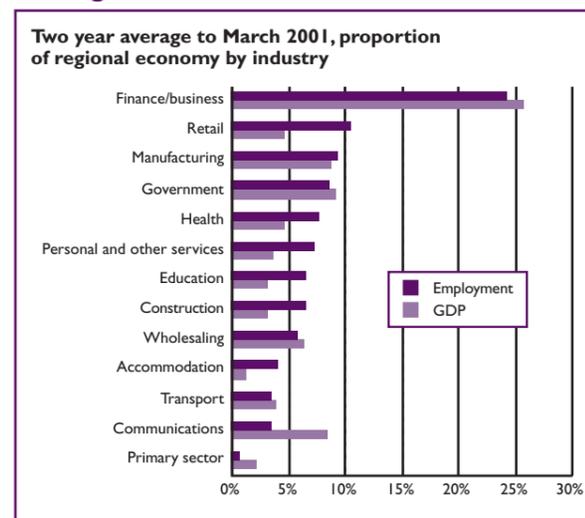
The main industries are outlined in this graph.

Share of the Wellington region's GDP



Source: Infometrics

Wellington's economic structure



Sources: Statistics New Zealand, Infometrics

Wellington compared to New Zealand

Indicator	Period	Wellington	Wellington as % of NZ	Annual growth Wellington	Annual growth New Zealand
GDP (\$m) ¹	Year ended Mar 2001	13,845*	13%	0.3%	2.5%
Population ¹	As at Jun 2001	430,500	11%	0.2%	0.5%
Employment ¹	Avg, year ended Sep 2001	231,000	13%	2.1%	2.4%
Number of businesses ¹	As at Feb 2001	37,178	12%	-3.6%	-2.3%
Retail sales (\$m) ¹	Year ended Sep 2001	4,006	12%	3.5%	5.8%
House price	Avg, year to Sep 2001	\$192,838 ²	111% ⁴	2.2% ³	0.7% ³

Sources: ¹Statistics New Zealand ²REINZ, median measure ³QVNZ

* Infometrics estimate ⁴Proportion of New Zealand median house price

the region's *performance and prospects*

Pace of growth slows

The pace of economic growth in the Wellington region has slowed sharply over the past year. Data available for the year ended March 2001 indicates that the rate of growth had eased back to around 0.5% per annum, substantially down on the pace (4% per annum) recorded over 1999/00.

The main reasons behind the weakening pace of economic growth include the ongoing consequences of:

- **A contraction in financial and business services activities.** This reflects the impact of businesses, particularly finance-related, shifting their head office functions to Auckland or to Australia over the preceding two years. Employment in this sector fell 3% over the year ended March 2001 and further business rationalisation suggests this trend will continue, albeit at a slowing pace.
- **A downturn in construction.** While there was good growth of activity in the commercial area, the number of new houses built over the year ended March 2001 fell around 12%. Overall the building and construction sector's contribution to the region's growth over the last March year was -0.3%. Prospects for this sector remain

mixed - house building activity is beginning to pick up, but in the commercial area the consents data point to lower levels of future construction.

- **A reduction in utility business activity in the region.** This largely reflects the full consequences for Wellington of the break-up of ECNZ and the departure of the constituent businesses. That restructuring is complete and the sector's contribution to the region's growth is more likely to be positive from here on, although from a lower base.

The current slump in the rate of regional economic growth probably also reflects the medium term effects of some major business rationalisation. Restructuring in the financial sector – banks, finance companies, insurance firms – has resulted in a number shifting their headquarters to Auckland or to Australia. The resulting loss of business for local legal, accounting and advertising companies because major decisions are made elsewhere, clearly has a medium term negative impact on the local economy. Replacement businesses do not instantly spring up to replace the lost activity.

The latest data (see table on page 4) shows that the Wellington region continues to lag behind the rest of New Zealand on a number of important indicators, and more importantly economic momentum appears to be waning. Employment, in particular, is now running below levels a year earlier implying some drop in economic output is either now occurring or is on the way.

Summary of Wellington's latest indicators

Date		Wellington		NZ
Census population ¹	5 yrs to Mar 01	0.5% ⁸		0.6% ⁸
Population - year to June 2001 ¹	June 2001	0.2%		0.5%
		Latest*	Trend[^]	Trend
Employment ¹	Sep 2001	-4%	2%	2%
Job Ads Survey ²	Nov 2001	-17%	-3%	1%
Nominal retail sales ¹	Sep 2001	3%	3%	6%
Car sales ³	Dec 2001	24%	3%	8%
No. new dwelling consents ¹	Dec 2001	-18%	-5%	2%
House sales ⁴	Dec 2001	19%	6%	16%
House prices ⁵	Sep 2001	2%	2%	0%
Value non-residential consents ¹	Dec 2001	-46%	2%	19%
Tourist arrivals ¹	Dec 2001	-6%	4%	7%
Guest nights purchased ¹	Nov 2001	5%	7%	7%
Consumer confidence ⁶	Dec 2001	121	111 ⁹	119 ¹⁰
Business confidence ⁷	Dec 2001	-18%	-15% ⁹	-13% ¹⁰

*Latest % change - is the latest three months data, over the same period a year earlier

[^]Trend % change - is the latest year's data, over the preceding year's data

Census population measures refer to final, usually resident counts

Sources: ¹Statistics New Zealand ²ANZ Bank ³Land Transport Safety Authority ⁴REINZ

⁵Quotable Value New Zealand ⁶WestpacTrust McDermott Miller Survey ⁷National Bank of New Zealand

⁸Annual average growth ⁹Level a year ago ¹⁰ New Zealand, latest data

National context

The slump in world economic growth is beginning to have an impact on New Zealand – tourist numbers are falling, as are prices for a number of major primary exports (milk products, lamb and beef). Businesses have either postponed or cancelled capital expenditure projects, and the latest employment data points to some reduction in demand for labour.

Despite these negative trends, the economy is still growing and the consensus is that New Zealand will largely sidestep the world economic downturn. Several factors, are working to sustain economic activity:

- The rural boom may be on the wane but rural incomes will still be close to record highs over the current farming year. They may not fall significantly over 2002/03 if the exchange rate remains relatively low and the world economy rebounds.

- A dramatic turnaround in net migration will lift the rate of population growth significantly in some regions. The migration flow has turned from a net outflow of around 10,000 (12 month running total) at the beginning of 2001 to a balance by the end of the year, and looks like heading to a net inflow of at least 10,000 by mid 2002. The turnaround will give the recovering real estate market a further boost.
- The substantial easing in monetary conditions, triggered to a large degree by moves in the United States and Australia, is intended to stimulate domestic activity, and will probably do so over 2002. The lower interest rates will also help rejuvenate real estate activity.

Outlook – Wellington faces growth challenge

The outlook for the Wellington region's economy is clearly heavily influenced by what happens to the national economy, which in turn is subject to some degree by what happens to the world economy. The consensus is that economic growth in New Zealand will stumble over the next few quarters as the impact of slower world growth filters through. But by late 2002 the rate of growth will rebound on the back of a rejuvenated world economy and the effect of easier monetary conditions over 2001. On a year ended March basis, most forecasters predict growth of between 2% and 3.5% from 2002 through to 2004.

The Wellington region has not really participated in the rural boom – Wairarapa, virtually the sole source of rural economic activity, accounts for around 6% of the region's economic output. The turnaround in migration will potentially help lift the rate of population growth in the region, and the drop in interest rates will help sustain the real estate market. The latter has been one of the better performing aspects of the regional economy (apart from the dip in new house construction over 2000/01) for the past two to three years – house prices in the region have risen by 6.5% per annum over the past three years compared to just 2% nationally.

The short-term indicators for the region's economy look soft: employment is shrinking, and the value of non-residential building consents (a good forward indicator of activity in the sector) is currently running 50% below this time last year. Furthermore, the region is still losing businesses – the Lotteries Commission's sales and marketing functions are moving to Auckland and Telstra is still to decide the future of its head office functions.

But these negative indicators are likely to prove relatively short-lived and will be offset by a number of positive developments:

- **The region is benefiting from a reinvigorated government sector.** State sector employment increased 4.5% over the year ended June 2001 and further growth is likely as the government pursues a more proactive approach to running the economy. Part of the government's more hands-on approach has been a willingness to become involved in:
 - Regional economic development initiatives.
 - Capturing the benefits from the success of international-scale film productions.
 - Developing the venture capital market (a number of leading venture capital companies are based in Wellington).
 - Setting up a new bank (Kiwibank) head-quartered in Wellington.

Events Critical to Attracting Visitors

Events are major drawcards in boosting visitor numbers to Wellington as well as increasing media exposure for the region. According to new CEO Tim Cossar, Totally Wellington is committed to supporting major events and attracting new ones to the Capital.

"The Lord of the Rings New Zealand premiere put Wellington on the map. Media exposure worldwide has been incredible and it's up to us to capitalise on the exposure and work to make the most of it," Mr Cossar says.

"The Stadium is a huge asset with events like Robbie Williams and the Sevens attracting sell-out crowds. Following the success of Robbie Williams last year, Totally Wellington is working with the Stadium to get more major entertainment gigs there."

The Capital is also forging a reputation as a fashion capital. The inaugural Wellington Fashion Festival held last September proved a winner, with retailers recording record sales and the Designer Collection fashion show booked out. This year Industry NZ is supporting the event with a \$15,000 grant to support upcoming designers.

"Our aim is to extend the Fashion Festival this year to include a street parade and more catwalk shows as well as raising its profile to attract international media."



Fashion Festival poster

Investment Continues in Upper Hutt

Ongoing new investment in Upper Hutt points to a bright future for the city according to Upper Hutt Economic Development Agency chief executive Michael Baines.

Negotiations between the Government and an Australian education management organisation are underway, to agree on terms to utilise the former Central Institute of Technology (CIT) campus site in Heretaunga. The proposal will see the site being used to provide education for foreign, fee-paying students.

"This proposal will add significant value to the economy and the overseas students will be a vibrant addition to our community," says Mr Baines.

The establishment of the Combined Armed Forces Defence Headquarters in Trentham is now complete, adding to the strong presence the Army already has in the city.

"The Army has always been a key part of our city and a decision to service all light armoured vehicles in Upper Hutt indicates the contribution to economic growth that having the Combined Services here makes."

The residential construction industry also continues to flourish in Upper Hutt with the recent opening of the lifestyle subdivision Mount Marua.

"The building industry is certain to be a major player in the city's economy for some time to come, as a result of the high level of activity at Mount Marua and the other major subdivisions in the city, Riverstone Terraces and Sylvan Heights".



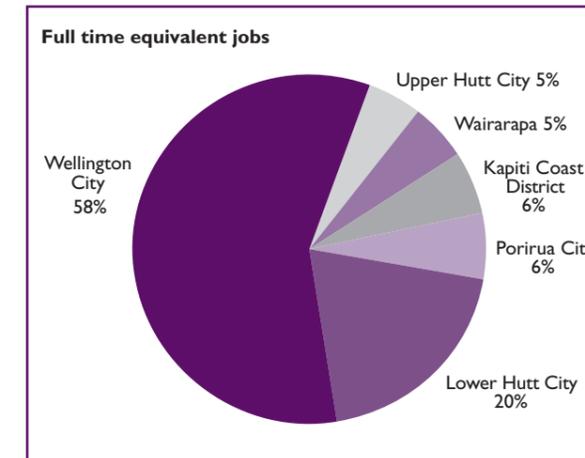
CIT campus site

- The strengthening of the region's tertiary education sector – the establishment of Massey's Wellington campus, the new amalgamated WelTec Polytechnic, the improved management of Victoria University and the prospect of a significant new foreign-oriented tertiary institution on the old CIT site. The number of tertiary students in the region's polytechnics and at Victoria University increased by 7.4% between 2000 and 2001.
- The success of "The Lord of the Rings" and the infrastructure associated with its production have created a step change in the region's film industry and could be a powerful factor in raising the region's profile. The latter could prove particularly valuable for the tourist industry over the next two or three years.

In conclusion, despite some high-profile success stories the Wellington regional economy has not kept pace with national economic growth since 1994 and has shrunk slightly as a proportion of the New Zealand economy. A major reason for this below average economic performance has been the relatively weak growth in the region's population. Over the past decade (up to Census 2001) the number of people living in the Wellington region has increased by just 5.9% compared to a 10.8% increase in the national population over the same period. Official population projections for Wellington are for even slower regional population growth. It is surprising, given the region's slow rate of population growth, that its economy has performed as well as it has relative to the national economy.

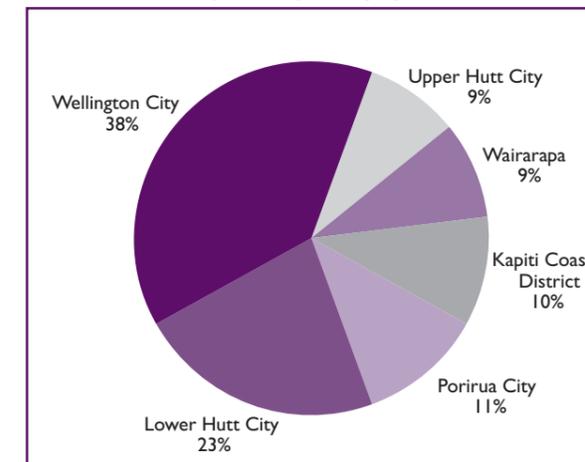
the local economies of the Wellington region

Share of Wellington region's employment



Source: Business Demographic Statistics

Share of Wellington region's population



Source: Census 2001

Wairarapa

The Wairarapa (includes the Masterton, Carterton, and South Wairarapa territorial authorities) has enjoyed solid economic growth over 2001, mainly as a result of good growth in rural sector incomes. The increasingly important forestry sector faced soft market conditions, prices were generally down, but were offset to some degree by output growth at Juken Nissho and Renalls Ltd. Wood processing is an important growth sector for the Wairarapa and has been a significant contributor to lifting output in the manufacturing industry.

Land use is intensifying at the margins with a steady increase in the area being planted in grape vines and olive trees. According to MAF figures the area planted in grapes in the Wairarapa has increased by 70% since 1998 and is projected to increase by a further 40% over the next two years to 534ha.

Population (change between 1996 and 2001 census)	0.8%
House prices (Masterton, change over the year ended June 2001)	3.9%
Economic growth (estimated change over year ended March 2001)	2%

Porirua

Porirua city has continued to expand as the population has grown and new businesses have been attracted to the area. The retail sector has expanded steadily with the development of the mega centre and a large new Pak'n Save is due to open in early 2002. The redevelopment of Todd Park is continuing with Te Wananga o Aotearoa (Maori tertiary institution) having purchased the administration building and now transforming the top floor for lectures, training, etc. The former Mitsubishi assembly building has been purchased by St Laurence who are looking to attract warehousing, distribution, transport tenants. The city also has a large area of land (Aotea) for development with a focus on leisure and tourism activities.

Population (change between 1996 and 2001 census)	1.6%
House prices (change over the year ended September 2001)	3.9%
Economic growth (estimated change over year ended March 2001)	2%

Difference and Design Flair the Key

In the high fashion world of women's footwear, difference and design flair are the keys to making a brand stand out from the crowd.

Waikanae footwear company C.A. Craigie, owned by Angela and Cushla Buswell, has caught the imagination of the fashion world with their Minx label featuring shoes made from fish skin.

The treated Moki skin, a by-product of fishing that is usually wasted, is butter-soft, similar to snakeskin. Whilst it is hard to work, each skin is different so no two shoes are exactly the same.

The sisters purchased their stepfather's firm in 1998. Since then they have changed the product range, moving away from cheaper mass market shoes and into the fashion area where margins are higher.

They aim to make shoes that they and their friends would want to wear – fashionable, reasonably priced and comfortable. Their fashion shoes sell throughout New Zealand and are also a success in Australia where they are sold in four states.

The Minx brand was launched in Auckland in February 2001 and it is sold through boutique footwear and designer clothing stores. Styles and colours of the Minx collection are designed with clothing in mind to form the "Total Fashion Look".

With their innovative designs and flair, the Buswell sisters are putting Kapiti on the footwear fashion map.

Wellington City

Wellington city's economy appears to have been static over the year ended March 2001. That is consistent with employment data that shows a slight decline (-1%) in full-time equivalent employment in the city over the past year. The medium term consequences of finance and utilities businesses departing the city over the past two or three years must be partly behind the weaker economic performance. Also, upheavals in the information technology and communications sectors both internationally and locally have had a negative impact on a city increasingly focussed on these areas of activity. The downturn is clearly demonstrated by the 25% fall in the value of Telecom stock over 2001. However, the IT area still holds out the promise of significant growth with the Ericsson Synergy joint venture set to expand over the next three years. The region's reputation for film and television production will be boosted by the success of "The Lord of the Rings".

Population (change between 1996 and 2001 census)	3.9%
House prices (change over the year ended September 2001)	1.5%
Economic growth (estimated change over year ended March 2001)	0%



Angela Bushwell of C.A. Craigie footwear overseeing the production of Minx shoes

Kapiti

The Kapiti Coast has experienced the fastest increase in population of any of the sub regions over the past five years. That growth has added to the strains on the area's infrastructure, especially roads and water. Despite the rapid population growth, building and construction activity in Kapiti slumped by between 20% (housing) and 30% (commercial) over the year ended March 2001 dragging down economic growth compared to the previous year. Kapiti has received government funding to proceed with a regional economic development strategy. Two important components of that strategy are likely to be infrastructure and tourism.

Important areas of growth over the past year or so have been Kapiti Cheeses, retailing, expansion of medical facilities and the retirement home sector. The latter is being driven not just by New Zealanders – a significant proportion of occupants are from Britain. The English Language Academy continues to expand attracting foreign students to Kapiti

Population (change between 1996 and 2001 census)	10.0%
House prices (change over the year ended September 2001)	1.6%
Economic growth (estimated change over year ended March 2001)	0%

Lower Hutt

The city has enjoyed steady growth over the year to March 2001 with communications being the biggest contributor to growth. TelstraSaturn's take-over of Clear will result in staff reductions (around 800 across the two businesses) and a relocation of at least one of the head offices either to the North Shore or to Petone. The important manufacturing sector has struggled, both locally and nationally. The electricity crisis over August and September compounded the sector's problems and led to the sale of Natural Gas's Petone-based On Energy retail business to Meridian Energy.

The Hutt Valley Polytechnic and Central Institute of Technology were merged in mid-2001 to form WelTec based on a Petone campus. This tertiary institution now has 3,365 students and campuses in Auckland and Christchurch.

Population (change between 1996 and 2001 census)	1.6%
House prices (change over the year ended September 2001)	0.5%
Economic growth (estimated change over year ended March 2001)	2%

Upper Hutt

Economic growth in Upper Hutt is estimated to have been amongst the fastest in the region over the 2000/01 March year. The city's three main areas of economic activity – government, manufacturing and service business – have all contributed to the solid growth result. The Joint Forces headquarters at Trentham has added to spending in the city and a key export-oriented manufacturer in the city, South Pacific Tyres, is benefiting from the lower dollar. In the services sector the potential reopening of the CIT campus for around 5,000 foreign fee paying students under the auspices of Campus Group Holdings, a Queensland-based company, would be a valuable boost to the city's economy.

The city's resident population has held roughly constant over the past three years, but there is a number of new housing developments underway in the city and the value of new house construction in July was running 58% ahead of a year ago. House prices have held up better than across the economy as a whole.

Population (change between 1996 and 2001 census)	0.9%
House prices (change over the year ended September 2001)	0.9%
Economic growth (estimated change over year ended March 2001)	7%

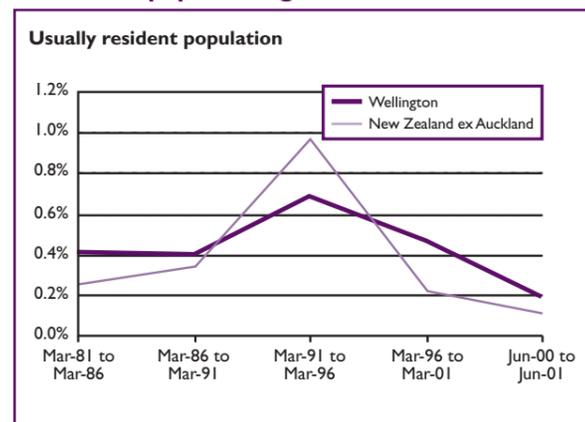
Note: The estimates of economic growth (calculations of GDP share and movements) are indicative only. Official data at the sub-regional level is less robust than regional data and may not match locally sourced information. Local economic development agencies and city and district councils are a good source of supporting data on local economies – see the end of this publication for a table of contacts.

the people

population and labour market

The rate of population growth in the Wellington region has remained relatively steady over the past two decades, increasing 4% over the 1980s and 6% over the 1990s. Over the year to June 2001, Wellington's usually resident population edged up just 0.2%.

Annualised population growth



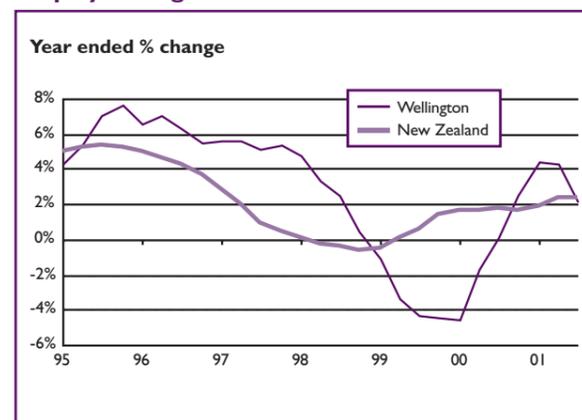
Source: Statistics New Zealand

A shrinking labour force and a strong rebound in employment growth over the year to mid-2001 pushed Wellington's unemployment rate down to 4% by September 2001 (annual average measure). The region's labour force participation rate is amongst the highest in New Zealand (almost 70%) indicating a significant proportion of households in the region have at least two incomes.

Employment growth in the region has been strongest in the health industry over the year to March 2001, reflecting a 10% increase in full time equivalent employment in hospitals. The number of retirement village (nursing home) jobs grew a whopping 120% over the same period, reflecting the regional and national growth in retirement villages.

Central government employment increased last year for the first time in five years, but financial and business services employment sagged as some firms packed up and left for Auckland, or left New Zealand altogether.

Employment growth

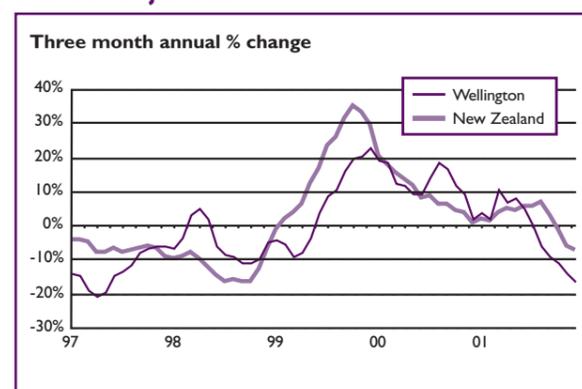


Source: Household Labour Force Survey

Over the September quarter employment fell 4% in Wellington compared to a year ago, and the outlook for employment over the next year is weak. The number of jobs advertised in the region fell 14% over the November quarter on an annual basis. Employers are cautious about taking on extra staff in light of the uncertain global environment.

The low rate of unemployment in the region suggests that the quality of available workers is declining, and this has the potential to hinder employment growth. The recent turnaround in net migration is likely to alleviate this problem.

Number of job ads



Source: ANZ Job Advertisements Survey

important industries

in the Wellington region

The significance of a sector can be measured either by its contribution to the local economy or whether it is more significant locally than nationally. The five most important areas of economic activity in the region are set out in the table below.

Share of GDP by sector

Based on latest two years data

	Wellington region	New Zealand
Personal and other services	7.7%	7.0%
Communications	8.6%	4.7%
Government	9.2%	4.1%
Manufacturing	11.2%	18.2%
Finance/insurance/business	22.2%	13.0%

Source: Statistics NZ, Infometrics calculations

Communications, Government and the finance and business sector account for a bigger share of Wellington region's GDP than is the case nationally. Furthermore, manufacturing is the only non-service industry in the top five in Wellington.

Significant business migration activity

Since January 2000

The list covers significant changes but is by no means exhaustive.

Arrivals/Expansions	Departures/Downsizing
Kiwibank	Prudential
Access Technologies Ltd	Colonial
Campus Group Holdings	Brierley Investments
Techtronics Group Ltd	BNZ (head office)
Mobil customer service centre	ANZ (head office)
Telstra	Tranz Rail
Beauty Direct	Holden NZ
Ericsson Synergy	Toyota NZ
South Pacific Tyres	Feltex
Massey University	ECNZ
	TradeNZ
	Enza
	Atlas Copco
	Cyber Elves
	CS First Boston
	Telstra Saturn Clear
	Unilever (later this year)

Compiled by Infometrics

Statistics New Zealand's quarterly GST data by sector and by region are being used for the first time in this edition of Regional Outlook. The data in the table below covers four important sectors. There is also a specific table on page 14 setting out GST by the sub-categories of the community, social and personal services sector.

Wellington region GST data

	GST on sales			Net GST		
	Annual % change			Annual % change		
	Year ended Jun-01	Mar-01	Jun-01	Year ended Jun-01	Mar-01	Jun-01
Property/business services	-3.3%	-12.9%	-10.8%	6.1%	3.6%	2.0%
Manufacturing	-1.2%	-4.4%	-3.2%	-6.3%	-0.7%	-3.5%
Retailing	7.5%	5.0%	9.1%	-1.9%	-2.5%	3.1%
Accommodation/restaurants	6.2%	7.2%	6.0%	-1.3%	-4.8%	-8.3%
Total all sectors	8.0%	6.7%	8.2%	1.6%	5.5%	-2.1%

Source: Statistics NZ, GST Data

Finance, insurance and business services

Business services employment

Year ended March, full time equivalent employment	Year ended March, full time equivalent employment			Share of industry
	2000	2001	% Change	2001
IT	6,750	7,220	7.0%	16%
Finance	6,946	6,344	-8.7%	14%
Insurance	5,300	4,568	-13.8%	10%
Management services	4,150	3,980	-4.1%	9%
Real estate	3,076	2,936	-4.6%	7%
Legal	2,510	2,650	5.6%	6%
Accounting	2,170	2,300	6.0%	5%
Advertising	2,440	1,710	-29.9%	4%
Other	13,368	13,435	0.5%	30%
Total	46,710	45,143	-3.4%	100%

Source: Statistics NZ

The finance, insurance and business services sector lies at the heart of the region's economy in terms of significance and also because most of the activity takes place in Wellington City.

The significance of the sector, however, is waning primarily because business are leaving the region in favour of much larger commercial centres such as Auckland or Australia. Although parts of the sector will continue to grow (IT and perhaps management consulting) the sector as a whole will tend to undermine the region's rate of economic growth.

Over the last three years region-wide employment in this sector has increased just 5.8% compared to a 7.1% increase nationally and a 14.5% increase in full time equivalent employment in the same sector in Auckland. Within the sector in Wellington, it is clear from the latest employment data that the banking, insurance and advertising areas have experienced the biggest contractions in activity.

The big slump in advertising employment reflects the departure of many head offices that would have traditionally turned to local advertising agents. Furthermore the Government has probably been more circumspect about spending on advertising. The political sensitivity of expenditure on consultants has also been an important factor in the decline in management services' employment.

The GST data for this sector (see table "Wellington region GST data" on page 11) needs to be interpreted carefully because a number of financial activities do not attract GST. The GST collected on sales from this sector is clearly down from a year earlier, but the sector appears to have used less GST rated inputs and so the net GST take has risen implying an increase in value added in the sector.

Outlook

The business and financial services sector will struggle to make a significant positive contribution to growth in the Wellington region, despite the size of the sector. The rate of business attrition may slow, but the financial hub for New Zealand will steadily shift to Auckland. The IT sub-sector, though, offers potential rapid growth, especially if that growth is export rather than domestically oriented. IT is now the largest identifiable sub-sector (by employment) within the general finance and business services sector. The Government and the regional development agency are backing the development and globalisation of local IT businesses, which have the potential to take up the slack created by corporate restructuring in the more traditional areas of this sector.

Community, social and personal services

The sector is dominated by public services – central government administration, education and health. Cultural, entertainment, recreation and other personal services (hairdressers, police, gardeners) account for the balance of activities in this sector. The sector is estimated to have grown by around 6% over the year ended March 2001, thus making it one of the most significant contributors to the region's economic growth.

The fastest areas of growth have been in the health sector and the entertainment and recreation sub-sectors. Hospitals, the largest employers within the health sub-sector, expanded their workforce by around 10% over the year ended March 2001. Wakefield Hospital had a public issue of shares in the second half of 2001. The issue was filled successfully and helped finance a \$6 million extension to one of the few private tertiary hospitals in the country.

In the entertainment and cultural and recreation area the big growth has been in the film and television industry where employment grew 20% last year. The increased activity is also evident from the GST data (see table on page 14), which implies strong growth in both sales and value added. The Government has allocated significant medium term funding to encourage growth in the arts, including film production. Given the region's long-standing commitment to the arts, and the concentration of them in the region, additional government funding will be important in sustaining the current rate of growth in this area.



Booker-Spalding corporate wardrobes

Infrastructure for the New Economy

Hutt City recognises that broadband services – a very fast digital communication channel – is a new economy infrastructure every bit as essential as roads and pipes in the city. "The potential social and economic impacts of broadband are huge," says Clare Hadley, Hutt City's Economic Initiatives Manager.

"Whilst telecommunications companies offer a range of digital communication services, some local businesses were concerned at the lack of access to true broadband services. The council distributed a survey in December and the speed and rate of response to it shows that businesses see this as an important issue. The project should be completed by March 2002, including discussions with potential suppliers."

The importance of broadband infrastructure can be seen in the decision-making process for businesses evaluating their locations. Booker-Spalding, New Zealand's leading designer and manufacturer of corporate wardrobes is an example.

Booker-Spalding recently confirmed it was shifting to Petone. In looking for a site large enough to accommodate their 70 plus staff, it was critical that they could access suitable data communication services. It makes use of data communication for hosting online ordering catalogues for its corporate clients, and providing real time data access to client contract administrators. Booker-Spalding staff can also access information remotely to monitor client positions. More than 60% of Booker-Spalding's corporate business is now captured direct via their online ordering systems.

Booker-Spalding director Peter Grayling says that they've experienced a dramatic increase in their use of data communications over the past three years, and anticipates that as their export markets grow, so too will their demand for broadband.

"Hutt City Council will continue to monitor the needs of business and do everything it can to ensure the city's infrastructure keeps pace with modern developments," says Clare Hadley.

Community, social and personal services

Year ended March, full time equivalent employment	Year ended March, full time equivalent employment			Share of industry	
	2000	2001	% Change	2001	
Government administration	16,160	16,530	2.3%	28%	
Education	12,545	12,330	-1.7%	21%	
Health	14,095	15,405	9.3%	26%	
Cultural and recreation services	5,512	6,017	9.2%	10%	
Personal & other services	8,100	8,213	1.4%	14%	
Total	56,412	58,495	3.7%	100%	

Source: Statistics NZ

The Government's goal of "rebuilding" the state sector to ensure ministries and departments have the capacity to undertake core tasks is well underway – the size of the public service workforce (full-time equivalents) has increased from 29,057 as at June 2000 to 30,355 (June 2001). That is the first increase in public sector employment for more than five years. One of the most significant areas of growth in the government sector has been Industry New Zealand. It has not only generated jobs

directly in terms of its own staff, it is also encouraging growth in local government activity in response to its regional development, business advice training, and business cluster initiatives.

The slight contraction in the education sub-sector probably reflects the amalgamation of the Hutt Valley and CIT polytechnics.

Wellington region GST data for community, social and personal services

	GST on sales			Net GST		
	Annual % change			Annual % change		
	Year ended Jun-01	Mar-01	Jun-01	Year ended Jun-01	Mar-01	Jun-01
Education	-0.6%	-3.4%	0.5%	-6.3%	-6.0%	-18.0%
Health	11.3%	25.1%	14.6%	5.8%	23.7%	11.5%
Cultural recreation	20.9%	27.1%	31.4%	20.6%	47.3%	88.9%
Personal services	1.0%	-3.5%	0.4%	8.7%	-4.2%	1.8%

Source: Statistics NZ, GST Data

Outlook

The government has just released a report "Review of the Centre" that focused on ways of improving the structure of government administrative services. Some of the report's recommendations could have significant consequences for the region. The thrust of the report is that there is scope for streamlining the management of government sector activities to better meet the requirements of the Government and the actual delivery of services to the public. Two important ideas that emerge from the report are the desirability of having cross-agency teams to address clearly identified problems, and the potential for consolidating state sector organisations. Both point to fewer but larger departments and ministries. That may mean fewer public servants and/or fewer public sector managers.

The government has recently committed to increase health spending by around \$400 million per annum over each of the next three years. Spending on health has been increasing at or above nominal GDP for the last five years and is expected to at least hold its share of nominal GDP over the next three years. The ongoing expansion of Wakefield Hospital helps provide the region with valuable health infrastructure. The hospital's revenues are expected to continue to grow between 5% and 10% per annum.

The outlook for the cultural and recreational sub sector is positive. The latest GST data shows that, if anything, growth in activity has accelerated. The long-term benefits from investing in the industry over the past ten years have been confirmed by the success of The Lord of the Rings movie. The Government is keen to see that the gains to date are built upon, and it is funding profile-building activities around the international success of the film trilogy.



Claire Johnstone, General Manager of Industry NZ, Central Region

Industry New Zealand – A Presence in the Region

Industry within the Wellington region has huge potential for growth, and help is at hand for companies that need it, says the General Manager of Industry New Zealand's central region, Claire Johnstone.

Industry New Zealand works closely with businesses and local economic development agencies to study which local companies are growing, what their strengths are, and how Industry New Zealand can help them to encourage economic growth.

Industry New Zealand's central region covers the lower North Island from New Plymouth in the west, across to Turangi and the East Coast, and south to Cook Strait.

"Our staff are on the road all the time working with individual businesses and economic development agencies. They are talking to their clients about moving barriers to growth, introducing them to other companies which may be able to offer help with a particular problem, and talking through any issues they may have."

"Industry New Zealand is the conduit between central government and the private sector. Our role is to provide additional advice and expertise when needed and to help businesses grow. We want to see the New Zealand economy reach its full potential, and by helping businesses in a variety of ways we can make a difference."

Ms Johnstone said Industry New Zealand wants to hear from any business that has growth potential with innovative, world-leading products.

"We want to hear from any business that has growth potential, with innovative, New Zealand-centric products. The country's economy will grow if our foreign exchange is increased and the viability of those companies is reinforced."

Ms Johnstone believes the central region has huge potential for growth, especially when the attributes of the various cities are taken into account.

"We need to promote the individual strengths of the different areas within our region. Porirua, for example, has very strong manufacturing, retail and distribution capacity. The Hutt Valley has information technology companies that are growing and becoming world leaders, and Wellington has established itself as a centre of excellence for film and information technology. Throughout the region we have the strengths and the companies we need to grow and thrive."

Demand for Porirua Property Pushes Values Up

Porirua City property values rose by 21% for the three years to June 2001. The residential sector was particularly strong with an average growth of 24% – by far the highest in the Wellington Region. The biggest increases were in Titahi Bay (40.6%) and Pauatahanui (39%). According to Quotable Value the change in value reflects the “positive economic growth in Porirua City, good availability of services and the wide mix of housing stock available to prospective purchasers”.

Porirua City Council's chief executive Roger Blakeley says “People outside Porirua City are already discovering what many locals have known for a long time and that is our beautiful landscape, lifestyle opportunities and easy connection to the bush and sea.”

The Council's business marketing officer Colin Drew says, “These lifestyle considerations will play an increasingly important role in business location decisions.”

Most commercial and industrial values are also buoyant on the back of continued business expansion in the Porirua City. The 6000 square metre Pak 'n Save opened in February this year creating 220 new jobs. A new \$11 million document storage facility is currently under construction on the Todd Park site. The final stage of the Mega Centre is due for completion and occupancy by June 2002.

Many new smaller commercial buildings are also evident in the Elsdon area. Now that the Todd Park site has been subdivided, all sold and largely leased, Porirua City Council is reviewing what additional land can be made available for future commercial development.

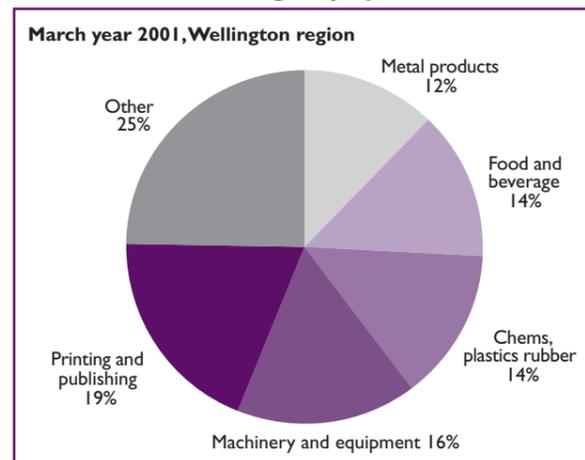


Manufacturing

Despite the lower currency and positive growth in domestic demand, the manufacturing sector has struggled to expand in the Wellington region over the past year. Indeed total employment has fallen by more than 4% over the year ended March 2001 and output is estimated to have fallen by 0.6% over the same period.

The region's primary manufacturing sub categories (in terms of total employment) are:

Share of manufacturing employment



Source: Business Demographic Statistics

The size of the printing, publishing and recorded media reflects the presence of the government sector and associated pressure groups and the demands they have for printing and publishing reports, studies, information and promotional material. But this sub-sector appears to have suffered over the year ended March 2001.

Another significant part of the manufacturing sector that has shrunk, according to Statistics New Zealand data, is the petroleum, chemicals, plastics and rubber industries, where more than 300 jobs were apparently lost over the year ended March 2001. The only major source of such job losses has been amongst oil companies where firms have outsourced some activities and some functions have been moved to Australia or Asia. Unilever Australia has announced it will be closing down its soap and toothpaste production in Petone over 2002 for the loss of 55 jobs.

◀ Residential construction at Whitby

Manufacturing

	FTE employment		
	Mar-00	Mar-01	% Change
Textiles & Apparel	1391	1347	-3.2%
Wood & paper	1230	1244	1.1%
Printing, publishing	3546	3356	-5.4%
Chems, plastics, rubber	2768	2407	-13.0%
Non-metallic minerals	464	448	-3.4%
Metal products	2255	2154	-4.5%
Machinery and equip	2827	2863	1.3%
Furniture & other	1328	1305	-1.7%
Total	15809	15124	-4.3%

Source: Statistics NZ

Outlook

The manufacturing sector nationally struggled to lift output over the second half of 2001. The electricity crisis was partly to blame. Domestic demand is likely to be conducive to some growth in manufacturing output over 2002, but those companies reliant on exports for growth will find the going tougher this year with international customers behaving cautiously. New Zealand manufacturers' price competitiveness will be a distinct advantage in such an environment.

Manufacturing employment in the Wellington region is likely to shrink further as domestically-oriented companies (the majority) continue their slow drift to Auckland where domestic demand is concentrated. For those companies focused, or reliant on exports, there is a strong case for teaming up with offshore businesses. The outcome in the Wellington region has often been a loss of manufacturing jobs or other major restructuring of the local business. The region's manufacturing infrastructure continues to diminish.

Focus on Porirua City Centre

Rapid retail expansion in Porirua City over the last five years has led to a review of the city centre zone.

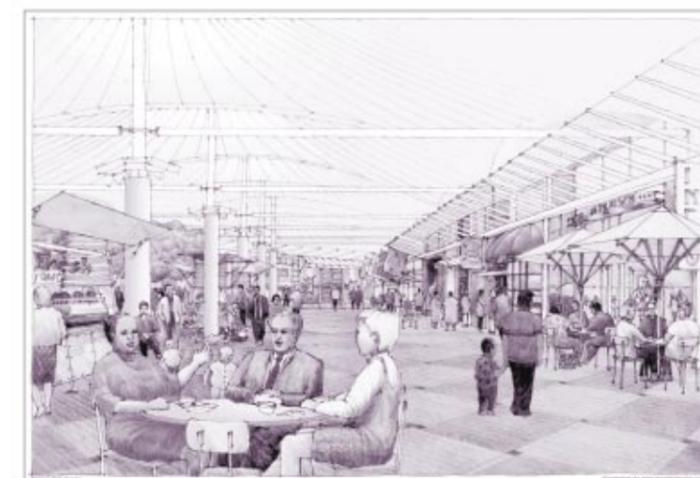
Three distinct shopping destinations have emerged – the North City Shopping Centre, Mega Centre Porirua City and the traditional city centre characterised by the canopies area. Ways to better integrate these destinations have been investigated. A multi-discipline urban design team has presented a series of recommendations to the Porirua City Council that will improve transport and pedestrian links, enhance the city gateways, create better linkages to the harbour edge and generate new activity.

The Council's business marketing officer Colin Drew says that “constant improvements to the city centre will be required for Porirua to become the premier shopping experience in the Wellington Region”.

One joint council and business initiative underway involves improving the ambience under the canopies area to allow more café type activity, providing kiosks and encouraging more theatre.

In the same area New Zealand's first McDonalds outlet has begun an \$800,000 upgrade. Owner-operator Trevor Campbell says “The upgrade was a vote of confidence in Porirua's future”. Mr Campbell is also chair of the action group that is driving the revitalisation of the traditional city centre in conjunction with the property owners.

The developers of the Mega Centre, Land Equity, have displayed the same level of confidence when they changed the name from North City Mega Centre to Mega Centre Porirua City.

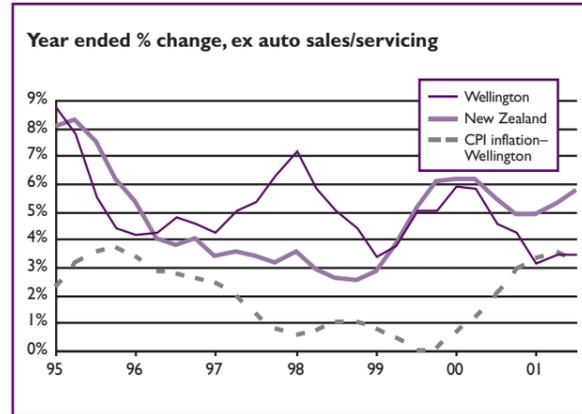


Plans for the revitalised Porirua City centre

Retail trade

Retail sales growth in the Wellington region over the past year has been amongst the lowest in New Zealand. Wellington's rates of inflation and nominal retail sales have shadowed each other over 2001, implying no growth in real retail sales.

Retail sales



Source: Statistics New Zealand

Flat house price appreciation and population growth, and a year of declining real wages contributed to the region's sluggish retail performance. Despite real wages now beginning to rise, softening employment growth and drooping tourist numbers will result in slender growth of Wellington's real retail sales over the next six months.

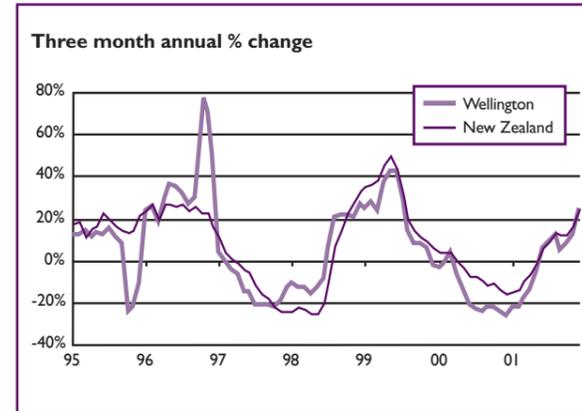
The national decline in the turnover of retailers involved in cafes, restaurants, and accommodation over October illustrates these industries' sensitivity to international tourists. For every one international tourist that does not fly to New Zealand, we estimate an extra twelve domestic tourists are required to maintain tourist spending.

While retail sales growth has been poor, car demand has grown strongly in the Wellington region over the past year. There are three reasons for this apparent contradiction:

- Big-ticket items (houses, cars, \$5000+) are more sensitive to low interest rates than general spending.
- Households' demand for big-ticket items is holding up – a net 24% of those surveyed thought now was a good time to buy an appliance, which was in line with the year's average response¹.
- Consumers' long term outlook is healthy – a net 35% of those surveyed expected good economic growth over the next five years, which is likely to encourage investment in durable goods¹.

¹ December 2001 quarter WestpacTrust McDermott Miller Consumer Confidence Survey

Car sales



Source: Land Transport Safety Authority

Outlook

Retail sales in the Wellington region will rise over the coming year as households take advantage of higher real incomes and low interest rates. However the growth in sales in the region is unlikely to match the national rate given low population growth; tourist activity will struggle to match last year's levels; and the real estate market will not be as buoyant in Wellington as in Auckland.

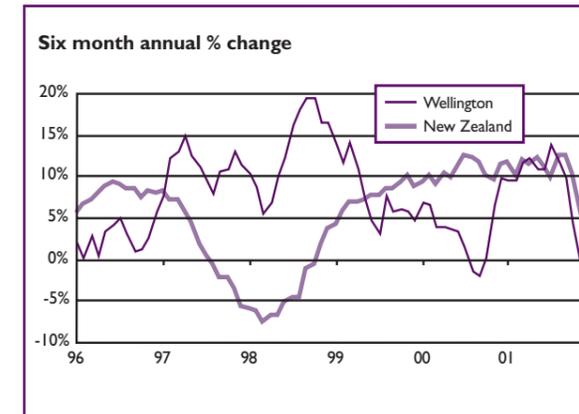
Tourism

The Wellington region participated in the boom of international visitor arrivals over 2001. But the region was hit particularly hard in the latter months of 2001 as tourist numbers fell, which was mainly because:

- The terrorist attacks in New York put people off flying.
- The souring of world economic growth and the negative impact on household incomes and spending.
- The disruption of air travel to and within New Zealand – Air New Zealand, Qantas New Zealand, and Ansett Australia experienced problems.

The number of arrivals at Wellington Airport over the six months to November 2001 was slightly below the same period a year ago. So far, arrivals from Wellington's largest tourist markets, Japan the United States and Europe, have fallen the most, which is why arrival numbers at Wellington airport have fallen more sharply than nationally. Wellington attracts a relatively small number of tourists from Asia, which helped insulate the region from the Asian Crisis in 1997-98.

Tourist arrivals at Wellington airport



Source: Statistics New Zealand

Bringing International Students to Kapiti

The Kapiti English Language Academy (KELANZ), winner of the Emerging Business of the Year and Business Development Quality Award in the Kapiti-Horowhenua Electralines Business Awards 2001, is one of the success stories of the Kapiti Coast.

Tony Gan, joint founder and managing director of KELANZ first came to New Zealand as an international student himself in 1979.

Together with Charles To'o, he founded a language school in July 2000 which already has more than 100 students and revenue of more than one million dollars.

The business began with a moderate amount of start up capital but with a great deal of positive endorsement from business people in Kapiti and it continues to get the support and assistance of Kapiti people.

Most of the 24 staff, of whom 18 are full time, come from Kapiti. The students put more money into the local economy as well staying with families who provide homestay accommodation.

Gan hopes to reach 150 students by the middle of 2002. They have a total capacity of nearly 200 students at any one time.

Many of the students are from China but the aim is to increase student numbers from other countries and to extend the linkages between KELANZ and tertiary institutions so that students can move smoothly from learning English to taking on tertiary programmes.



Student at the Kapiti English Language Academy

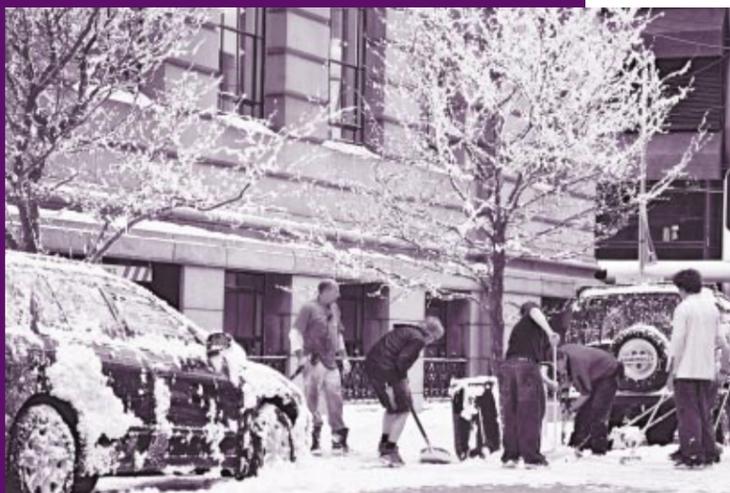
Ready, Shoot, Action

The Film Wellington Office was exceptionally busy in the last three months of 2001 with 107 applications for film permits in 366 locations around Wellington. This was almost double the number of applications and locations shot in the previous quarter.

"We've been flat-out dealing with film and television companies shooting commercials, films and television dramas. The Lord of the Rings was into post production by early 2001, so the increase in applications for film permits were all non-Lord of the Rings filming. This level of activity highlights how buoyant the Wellington film and television industry is," says Jean Johnston, Project Manager, Wellington Regional Economic Development Agency.

Wellington's film industry is booming and the latest Statistics New Zealand data demonstrates this. Full-time equivalent employment in the motion picture, radio and television industry in 2001 was 1699 people – 270 more than a year earlier.

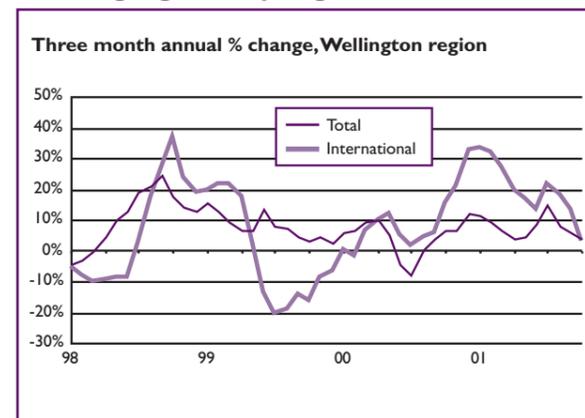
A survey of screen production in New Zealand for 2001 showed that Wellington took a massive 43% of New Zealand's total screen production of \$565 million.



Commercial for Mitsubishi Ltd shooting on Hunter Street, Wellington City

A sharp fall in the number of international guest nights purchased confirms the drop in tourist arrivals. The occupancy rate in the region (excluding caravan parks and camping grounds) has held up well, reflecting solid growth in domestic tourism.

Guest night growth by origin



Source: Accommodation Survey

Outlook

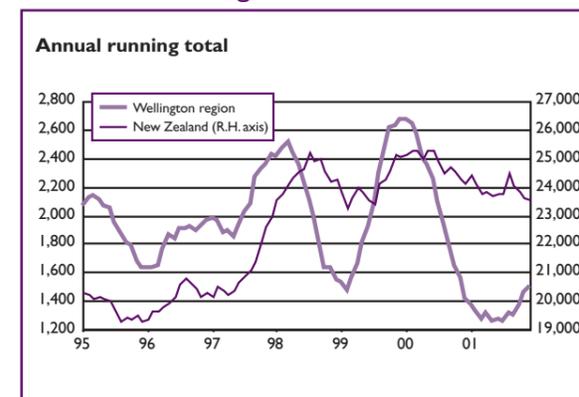
Any growth in international arrivals will be meagre over the first half of 2002, although the prospects for domestic tourism in the region are brighter. Visitor numbers will rebound in the second half of the year:

- Global economic prospects will be rosier by mid-2002.
- The benefits from the world-wide attention created by 'The Lord of the Rings' may be magnified in the region given that Wellington was the film's base.
- The America's Cup regatta beginning in October 2002 and Rugby World Cup in late 2003 (dates and venues yet to be finalised) will create tourism spin-offs.

Building and Property

The region has enjoyed one of the more buoyant real estate markets over the past two to three years. That helps explain why the current rate of growth in the number of new dwelling consents is slower in Wellington than it is nationally. Residential construction has been an important source of economic growth for the region over the past two years with the number of new dwelling consents issued over the past two years running 30% ahead of the annual average total for the past ten years. Nationally, dwelling consents over the last two years have been just 2% ahead of their ten year annual average.

Number of dwelling consents issued



Source: Statistics New Zealand

Growth in apartment consents is running more than 20% ahead of year earlier levels, but the number of apartment consents issued remains well below the peak recorded in 1998.

Where's the action

Building consent activity by local authority

	Number of housing consents	
	Year to Dec-01	Quarterly growth ¹
Wellington City	1,068	-24%
Kapiti District	441	-18%
Wairarapa	171	51%
Lower Hutt City	162	-21%
Porirua City	136	-3%
Upper Hutt City	129	-50%
Wellington region	2,107	-18%
New Zealand	20,539	22%

Source: Statistics New Zealand

¹ December quarter 2001 compared to same period in 2000

Wellington takes IT Innovations to Market

The formation of MediaLab South Pacific heralds the beginning of an exciting period for the Wellington region's information technology and communications (ICT) industries.

This new collaborative venture between New Zealand and international businesses and academia presents a new way for member organisations to jointly work on research projects, with a focus on taking the resulting technologies right through to market. By increasing academic-private sector cooperation, the MediaLab team are confident that increased innovation and commercialisation will result.

"We're seeing greater openness in the sharing of ideas between members and an increased willingness to work across disciplines," says MediaLab Research Manager, Michael Gregg.

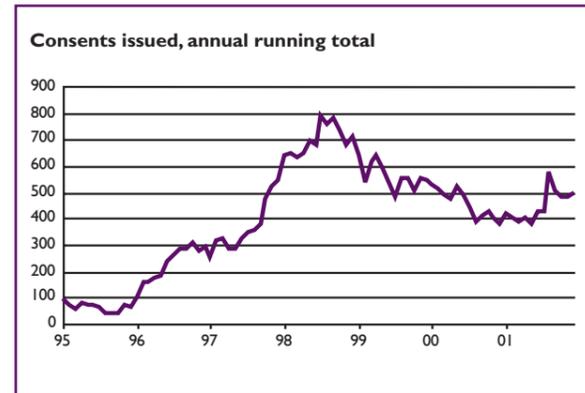
"Already we've received a number of calls from University research staff asking for MediaLab to help identify commercial partners to work alongside their research teams."

And it's a win-win for both sides. For example, member companies such as Ericsson Synergy and Sidhe Interactive are teaming up with staff from Victoria and Massey Universities to collaborate on world-class projects to create new revenue streams for all involved. MediaLab is assisting Gracefield-based Industrial Research Ltd (IRL) to commercialise innovative new technologies and identify commercial partners who can exploit technologies developed by IRL for the benefit of all parties.

MediaLab Members

MediaLab's diverse membership includes Victoria and Massey Universities; leading IT companies such as Unisys, Synergy and the Ericsson Synergy joint venture; Kiwi interactive media companies Oktobor, Weta Digital and Sidhe; along with TelstraSaturn, City Link and Industrial Research Limited. Significant local government support has come from Wellington City Council and the Wellington Regional Economic Development Trust. Industry New Zealand and the Foundation for Research Science and Technology are also contributing to aid the development of a robust strategic plan and research strategy. Other founder members are Whitireia Polytechnic, Buddle Findlay, Pricewaterhouse Coopers, Innovation & Systems and US virtual reality company SGI.

New Wellington apartment building

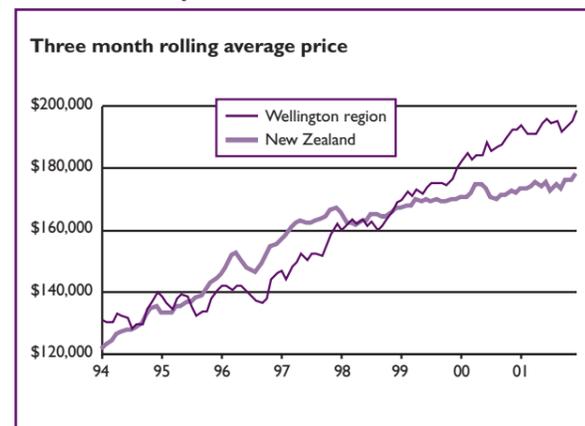


Source: Statistics New Zealand

While low mortgage rates have stimulated the property market, house demand in the Wellington region has been constrained by:

- The high level of house prices in the region.
- The uncertainty created by the number of firms in the region relocating.
- Few people employed by booming export businesses.
- Slow population growth.

Median house price



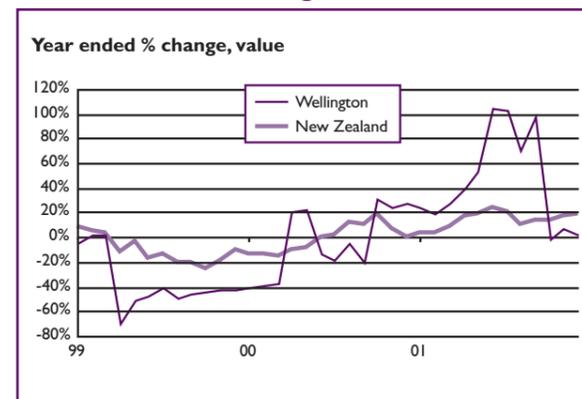
Although Wellington region house prices have tended to stagnate over the past year, the median house price in the region has been rising faster than nationally since the mid-1990s. That is an impressive achievement given the relatively slow rate of population growth in the region over the past five years.

Outlook

The outlook for residential construction is positive but its contribution to regional economic growth over the next two years will not be as significant as it has been over the last two years.

The value of consents issued for new non-residential building over the year ended October 2001 was no higher than it was over the year ended October 2000, and the latest three month total is some 50% below a year ago. Wellington's office vacancy rate is the lowest of the three main centres suggesting some impetus for new building work. However, the region tends to be well supplied with industrial and retail space, and with slow population growth demand for new space is likely to remain weak. Wellington has enjoyed a surprising amount of alterations and additions work in the commercial building sector as old buildings have been converted to other uses – hotels and apartments.

New commercial building consents



Source: Statistics New Zealand



Karen Bell of Enviro Solutions outside the Innovation Greenhouse

Growing with Innovation Greenhouse

A short cable-car ride up from Wellington city takes you to a business incubator at the top of the Botanical Gardens, appropriately named Innovation Greenhouse.

Karen Bell, director of *Enviro Solutions New Zealand Limited*, is one of about 20 small businesses that are part of the Innovation Greenhouse. The businesses operate independently but share resources. Karen has been there since September 2001.

"I'd been operating my business for two years, partly from home and from an office on The Terrace. I was at a bit of a crossroads, my business was going really well but I decided it was time to involve others more and it seemed like a good opportunity to learn from experienced businesses and have a more appropriate space to work from."

Karen said she was attracted to Innovation Greenhouse because of its focus on providing support and mentoring from experienced businesses. She says there's a real range of businesses represented – with the opportunity to gain valuable business experience, share ideas and experience and maybe work on some joint projects.

The Innovation Greenhouse building is owned by the Salamanca Group which operates in association with Vic Link Ltd (a business arm of Victoria University). Start-up companies or those taking on new developments and business growth can apply for admission.

Karen's company, *Enviro Solutions*, is an environmental consultancy that's making a difference by working with people towards practical environmental solutions. It works in the areas of:

- environmental policy and guidelines, environmental management systems, environmental indicators and performance management and state of the environment and policy effectiveness monitoring and reporting;
- communications and facilitation (environmental change management); and
- environmental education and training.

Clients are drawn from central and local government, other businesses and consultants, Crown entities, community groups and Maori. Karen works with a team of people who she contracts for particular projects.

"*Enviro Solutions* is about making a difference by working with people and learning together how to be more environmentally friendly. Saving the world isn't one person or organisation's job. It's about connecting with people's heads, hands and hearts."

"Working here is such a relaxed environment, surrounded by trees but still lots of people and activity. It gives me a real sense of why I'm working in the environmental field. However, it's still located within a capital city – after all, 80% of New Zealanders live in an urban environment."

- Enviro Solutions, Director Karen Bell, phone (04) 973-9933
- Innovation Greenhouse, Director Rob Acton, phone (04) 473-2717

Wairarapa – A Smart Region

Smart Wairarapa is the vision of local community leaders in the Wairarapa who have established an IT initiative to address the digital divide and to improve the local economy.

“There are a number of strands to the project. We want everyone in the Wairarapa to have access to the internet and the ability to use it. We want to make smarter use of information technology in our jobs and to improve our economy. And we want to implement e-government for our local councils. To meet these objectives we need two-way high speed internet access,” says project co-ordinator Geoff Copps of the Masterton Business Enterprise.

“The results of Smart Wairarapa are already visible. Two e-centres have been opened in Masterton at Harley Street School and the public library. Over 130 business and community people attended a recent e-Commerce seminar. And we’ve created a web domain ‘eWairarapa.com’ so everyone can have a Wairarapa email address.”

Mr Copps says: “The success of Smart Wairarapa will be able to be measured through growth in jobs and regional GDP but also through a better quality of life for Wairarapa residents.”

The Wairarapa is also part of the Government’s Regional Broad Band Initiatives Group that is looking at the potential for commercial provision of high speed internet access for regions.

Funding for Smart Wairarapa has come from local trusts, Industry New Zealand and the Ministry for Economic Development.

Contacts for more regional economic information

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Hutt City Council

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Kapiti Coast District Council

Geoff Cole, Economic Development Advisor
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The information in this publication is current as at January 2002, or earlier where noted. The economic data and commentary in Regional Outlook has been prepared by Infometrics Ltd. The regional news stories were co-ordinated by the Wellington Regional Council with the assistance of Wellington Regional Economic Development Agency, Hutt City Council, Upper Hutt City Council, Porirua City Council, Kapiti Coast District Council, Masterton Business Enterprise, Totally Wellington and Industry New Zealand. The Regional Council gratefully acknowledges their support and assistance. The opinions expressed in this publication are not necessarily the views of the Wellington Regional Council or of these agencies.

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*caring about you
& your environment*