

The NZ Regional Economic Scoreboard ranks the economic performance of New Zealand's 16 Regional Council areas. The fastest growing regions gain the highest ratings, and a good performance by the national economy raises the ratings of all regions. Ratings are updated every 3 months, and are calculated based on the latest annual growth in 7 measures: employment, construction, retail trade, house prices, car registrations, house sales, population.

Taking the regions' temperatures

	Share of NZ economy		Employment		Retail trade		House prices		Construction		Population		New car sales		Rating
	Mar-03	%	000s	annual growth	\$m	annual growth	\$000s	annual growth	\$m	annual growth	000s	annual growth	No.	annual growth	Jun-03
Northland	4%		57	6%	293	7%	168	9%	32	109%	145	0.7%	379	16%	☆☆☆☆
Auckland	36%		566	-2%	2915	4%	289	10%	252	2%	1252	2.8%	9240	32%	☆☆☆☆
Waikato	9%		176	4%	797	8%	176	7%	68	68%	373	0.9%	1447	12%	☆☆☆☆
Bay of Plenty	6%		99	-2%	533	7%			57	31%	250	1.3%	958	14%	☆☆☆☆
Gisborne	1%		91	8%	82	0%	150	14%	4	82%	45	-0.7%	110	20%	☆☆☆☆
Hawkes Bay	3%				304	10%			27	67%	148	0.5%	540	25%	☆☆☆☆
Taranaki	2%		158	6%	257	8%	125	16%	12	73%	106	-0.2%	329	14%	☆☆☆☆
Manawatu-Wanganui	4%				445	3%	108	3%	21	18%	227	-0.2%	676	-2%	☆☆☆☆
Wellington	10%		246	6%	1054	7%	221	11%	65	41%	446	1.2%	1838	26%	☆☆☆☆
Tasman					75	14%					44	2.6%			☆☆☆☆
Nelson	4%		79	-1%	161	12%	219	42%	33	68%	44	1.4%	476	27%	☆☆☆☆
Marlborough					88	10%						41	1.0%		
West Coast	1%				53	5%	160	14%	6	11%	31	-1.0%	124	63%	☆☆☆☆
Canterbury	13%		286	2%	1151	4%			103	22%	504	1.4%	2746	31%	☆☆☆☆
Otago	5%		145	5%	421	8%	124	13%	51	46%	191	1.3%	847	42%	☆☆☆☆
Southland	2%				245	4%	108	38%	7	-31%	93	0.1%	336	20%	☆☆☆☆
New Zealand	100%		1901	2%	8874	6%	210	14%	738	25%	3939	1.5%	20046	26%	☆☆☆☆

☆☆☆☆☆ The place to be ☆☆☆☆ Be there or be square ☆☆☆ Fair to middling ☆☆ Needs an energy injection ☆ Take pity

The National State of Play

Employment ☆☆☆☆

Plenty of full-time jobs were created in the June quarter, although SARS and electricity concerns cut hours worked.

Wages ☆☆☆☆

Wage growth has lost none of its strength, and with general inflation waning, real wage growth is gathering pace.

House sales/prices ☆☆☆☆

A whopping 30,000 houses were sold over the June quarter, pushing the average house price to \$210,000.

Retail ☆☆☆☆

Household spending has lost none of its vim, with sales growth in Wellington reviving after a three year slumber.

Car sales ☆☆☆☆

Car sales have reached record levels, especially of used imports. Falling car prices are helping sustain demand.

Confidence ☆☆

The business mood remained dark in June, which was out of line with a raft of vibrant sales measures.

Construction ☆☆☆☆

Construction is still one of the fastest growing areas of the economy and growth looks unlikely to abate over 2003.

Council corner

Maori foreshore and seabed claims have dominated Council news boards recently. Other big news included the passing of the Prostitution Bill. And Councils had a busy time with the angst caused by rate rises and the possibility of flatulence taxes.

☆☆☆☆☆ Steaming ☆☆☆ Healthy ☆ Sad

Northland ☆☆☆☆

Economic activity continued to grow at a healthy pace over the June quarter, which warranted another four-star rating.

A focus of Government attention, Northland will be given \$2m in special funding that will primarily be used to boost tourism in the region. Growth in guest nights purchased in Northland is modest at the moment at near 2%pa and could do with a boost.

Another recent Government policy is unlikely to be as kind. Northland has the highest unemployment rate in the country and the "Jobs Jolt" policy will encourage people to move away from areas where work is scarce, or risk losing part of their benefit.

Auckland ☆☆☆☆

New Zealand's economic powerhouse was lucky to hang on to its four-star rating over the June quarter. The region's payroll shrank 2% over the year to June.

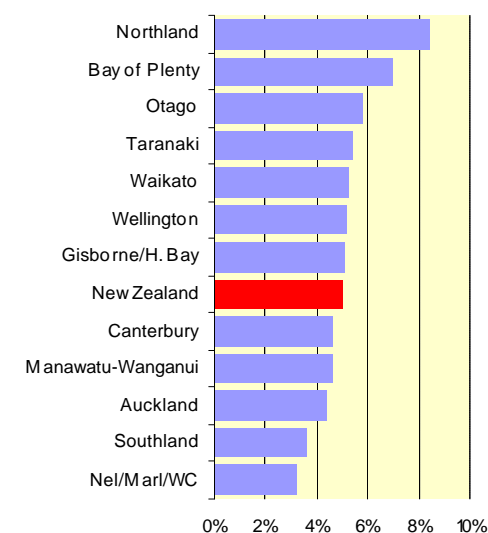
Perhaps productivity growth is accelerating in Auckland. Certainly, with apartments now being sold in shoebox-size and quality concerns rising, it probably takes fewer hours to construct a building. The only problem is the buildings aren't just leaking, now some are falling over.

Threats of rate rises quickly got the hackles up of Auckland's residents, with some rates being pushed up by more than 50%. However, the recent opening of Britomart may soothe some households disgust.

Iwi claims are gathering momentum in Auckland. A residential development in Mount Wellington has encouraged two Iwis to claim the land that is being developed.

Unemployment rate

Annual average rate, June quarter 2003



Waikato

☆☆☆☆

The June quarter was another good one for Waikato. Reflecting this, the proportion of Waikato's population that engaged in the labour force over the last year was the highest in the country (69.3%).

The Ministry of Education is currently undertaking a review of schools and has closed primary schools in Putaruru. Demographic trends have forced the merging of some schools.

Although anecdotal evidence suggests the dairy season got off to a good start, clouds are looming. Waikato has the largest agricultural industry in New Zealand and stands to be hit hard by any tax on methane emissions.

Bay of Plenty

☆☆☆☆

Following a period of rapid expansion, economic growth in Bay of Plenty has waned. Employment growth was always going to struggle to be maintained at near 8%pa, however. The only thing too hot to handle in the Bay now is the hot pools

Gisborne

☆☆☆☆

Construction activity is keeping Gisborne's economy moving, with commercial building projects particularly popular. Annual retail sales growth has fallen to near zero – perhaps the locals have been spooked by the discovery of more genetically engineered corn grown in Gisborne. More Government help is needed for this region to maintain its growth rate, especially with forestry going through a tough patch.

Hawkes Bay

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Steady as she goes in the Hawkes Bay with the June quarter showing healthy economic growth in all sectors.

Taranaki

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Job creation and construction boosted Taranaki up to five stars in June. Residential building is providing a good portion of the region's economic growth.

Shell has announced it will not continue exploring the coastline for new gas or oil reserves. Whether or not this decision was influenced by Maori foreshore and seabed claims is unknown.

Manawatu

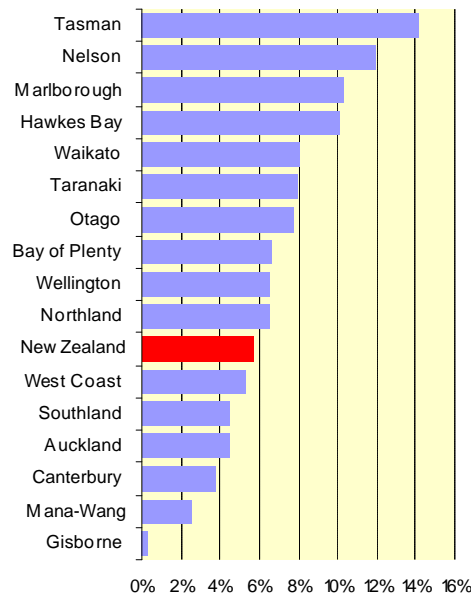
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Manawatu recorded solid economic growth over the June quarter and again maintained its rating of three stars.

The Manawatu-Wanganui region has the biggest number of beef cattle in New Zealand, so mad cow disease scares will have been duly noted in the region. Beef prices have dropped around 20% over the last year and weakened much needed income growth in the region.

Retail sales growth

Annual % change, June 2003



Wanganui

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House price inflation is barely keeping up with inflation, underscoring the region's quiet rate of economic growth. Illustrating the tight profit margins that sawmills operate on, the high dollar contributed to the closure of the NDG pine timber mill. However, this negative was offset by plans for a new supermarket.

Wellington

☆☆☆☆

Economic growth is improving quickly in Wellington following a few years of sluggishness. Accordingly, the region has graduated to a four-star rating.

Population and employment growth have accelerated in the region. Consents issued for apartments have more than doubled over the last year in Wellington. The education industry is flourishing and niche manufacturers are maturing.

The Kapiti Coast is moving to ban brothels in the district. However, this move may prove to be illegal.

Tasman

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Another five-star performance from Tasman was recorded over the June quarter. Despite a poor ski season, tourism has remained perky.

Annual retail sales growth in Tasman was the fastest in New Zealand in the June quarter. Rampant house price growth is fuelling resident's spending.

Nelson

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Nelson stood tall atop the *Economic Scoreboard* in June, boasting a host of buoyant economic indicators. House prices and inner city apartment sales are rocketing, and have helped push Nelson's annual CPI inflation rate to 2.3% – the highest in New Zealand.

The only dampener in the region was the emergence of the phylloxera aphid which meant about 170 hectares of grape vines will have to be replanted.

Marlborough

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Wanted: rain in Marlborough. July's weather was the driest for that month in 34 years. Every cloud has a silver lining though, wine growers aren't complaining.

The Council appears set for a real dogfight with local Iwi over claims over the foreshore and seabed. The case that sparked the spate of claims was for customary title of the Marlborough Sounds foreshore.

West Coast

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A slip in ratings for the West Coast in June was bought about by a slowing of growth in household spending. Despite on-going strong growth in tourism activity (13%pa) sluggish employment growth has constrained retail sales growth. Coal production jumped 20% on the West Coast over 2002, and the region now accounts for over half of national coal production.

Canterbury

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Canterbury is the sheep capital of New Zealand. And with the hangover from disease outbreaks in the UK pushing lamb prices higher, export incomes are probably holding up better in Canterbury than in most regions.

The higher dollar is dampening economic activity in Canterbury. However, particularly among the region's manufacturers. The pressure on export manufacturers profit margins has seen some firms cut jobs in the region, such as Macpac and Jade.

Smog has again been a problem in Christchurch this winter and the council has employed two heating advisers to give households help on clean heating.

Otago

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Life is good in Otago with annual employment growth steaming along at 5% in June. The area of land planted in grapes has grown more than 10-fold in the bottom of the South and created many jobs.

Otago stands to get a giant boost from Project Aqua. The \$1.2bn project will generate hydro-power by diverting the flow of the Waitaki river and create hundreds of construction jobs.

Film activity is blossoming in Queenstown with consent being sought to build a \$5 million twin production studio complex. Government support for big film projects is likely to help grow the film industry.

Southland

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The number of dairy cattle in Southland has more than trebled over the last decade. Stellar dairy profits have been key to Southland's economic renaissance.

However, the lower dairy payout is forecast to take \$150m out of the province and sour economic growth. Southland's 3-star rating reflects a tightening of belts – retail sales and construction growth are now a shadow of their former selves.