



**MANAWATŪ REGION  
EDUCATION SECTOR  
PROFILE**

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June 2020





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## Executive summary

**This purpose of these economic sector profiles for the Manawatū region is to describe the contribution of key sectors to the economic wellbeing of the region. Seven sectors are expected to contribute to a significant share of future growth in the number of jobs and incomes in the region over the next 25 years. They are healthcare, tourism, logistics, public administration (including defence), professional, scientific and technical service, construction and manufacturing.**

The education and defence sectors are not likely to grow as fast as the key growth sectors, but they remain important sectors for the region economy. They play an important role in attracting businesses, families and young people to the region. The education and defence sectors are also relatively independent of national economic cycles, and operate in a counter cyclical role.

Education has long been recognised for its role in determining life opportunities and as being critical to New Zealand's economic prosperity. New Zealand's prospects in the global economy depend on its ability to adjust our education system to support economic growth. This means ensuring that the New Zealand workforce is equipped with the skills needed to be productive in an economy that will increasingly place a premium on skills.

The education system's research capability and international links can make a significant contribution to economic growth opportunities. The economic benefits that the education sector provides for the Manawatū region are, therefore, much broader than the number of staff employed in the sector or the spending by tertiary students who move to the region for their studies.

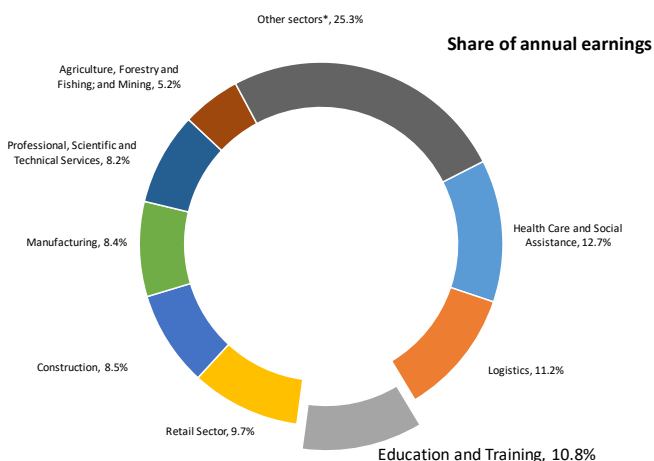
In recent years, there have been significant improvements in educational outcomes. More children participate in early childhood education and a lower proportion of students leave school with low or no qualifications. Participation in both tertiary education and industry training has grown and the research output of tertiary institutions has improved.

The direct contribution of the education sector to the Manawatū region economy is significant, accounting for \$374 million in earnings (salaries and wages and self-employment income) in the year to March 2018. This means it is the fourth largest sector in the region, accounting for 10.8% of total earnings. While the sector has not grown as fast as the overall regional economy over the period from 2000 to 2018, it still accounted for nearly 8% of total earnings growth over this period (an increase of \$149 million).

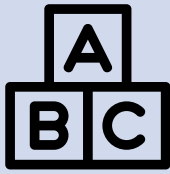
Education is also the fourth largest sector for the number of employees. The sector had 6,820 employees in February 2019, accounting for 11.3% of jobs in the region. There was an increase of 1,240 employees between 2000 and 2019, an increase of 22%. The number of jobs in the sector is expected to increase to 8,280 by 2033, an increase of 1,500 jobs (a 22% increase).

Infometrics estimates for the contribution of the sector to regional economic activity or gross domestic product (GDP) suggest it had a direct economic contribution of \$396 million in the year ended March 2019. This estimate doesn't include the impact of tertiary student spending in the region, which is estimated to have contributed a further \$96 to \$105 million to GDP in the region in 2019. This suggests the education sector has a total economic impact of \$492 to \$501 million.

There were 279 businesses/organisations operating in the sector in February 2019, a 2.4% share of total businesses/organisations in the region. This share is much lower than the sector's share of jobs and earnings because employment is concentrated in large organisations.



\* Other sectors includes: Public administration and safety services; Electricity, gas, water and waste services; Information media and telecommunications; Financial and insurance services; Rental, hiring and real estate services; Administrative and support services; Arts and recreation services; Other services

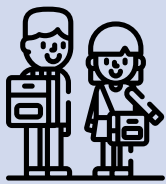


## Early childhood education

In February 2019 there were 775 people employed in early childhood education (ECE) in the Manawātū region, an increase of 210% since 2000. A further 470 people were employed in childcare services (classified as part of the health care and social assistance sector) in the Manawātū region, an increase of 81% from February 2000.

Participation rates for early childhood education are high, with 98.6% of year 1 primary school students in Palmerston North in June 2019 having attended an early childhood education service in the six months prior to starting school, while the rate was 97.7% in Manawātū district. The New Zealand average for early childhood education participation was 97.0%.

Data for average weekly hours attended by children in licensed early childhood education services shows lower average hours in Manawātū District (18.1 hours) than in Palmerston North (22.3 hours) but both have experienced strong growth in average hours since 2000. The average hours recorded for Palmerston North is slightly higher than the national average (21.6 hours).



## Primary education

In February 2019 there were 1,390 people employed in primary education in the Manawātū region, an increase of 9% since 2000. Employment declined by 8% between 2000 and 2019 in Manawātū District, but increased by 17% in Palmerston North. Total employee numbers for New Zealand increased by 13%. Primary school roll growth in the region has been higher than the national growth rate for the past four years.



## Secondary education

In February 2019 there were 1,310 people employed in secondary education in the Manawātū region, an increase of 42% from 2000. The strongest employment growth was in Manawātū District, with an increase of 50% between 2000 and 2019, while Palmerston North increased by 41% and New Zealand secondary school employment increased by 37%.

Secondary school enrolments increased by 10% in the Manawātū Region between 2000 and 2019, while total New Zealand enrolments increased by 17%. One factor contributing to growth in secondary school enrolments was higher retention levels in years 12 and 13 as a result of the increase in unemployment following the global financial crisis.

Palmerston North has experienced strong growth in school leaver numbers, which increased by 22% between 2009 and 2018, an indicator of both the strong school roll growth occurring in the city and strong economic growth. New Zealand school leaver numbers increased by 7% over the same time period.



## School leaver educational attainment levels

Secondary school achievement levels in the Manawātū region are better than the national average, with fewer students leaving school without any qualification. The main contributor to the stronger results for the region is stronger achievement levels for Māori and Pasifika students compared with the national averages for these ethnic groups.





## Tertiary education

The tertiary education sector encompasses higher education, private tertiary education organisations, industry training organisations, adult and community education (such as night school classes), and dance and drama schools. The major institutions in the higher education sector are Massey University, Universal College of Learning (UCOL), Te Wānanga o Aotearoa and Institute of the Pacific United (IPU).

In February 2019 there were 2,875 people employed in tertiary education in the Manawatū region, a decline of 1% since 2000. The region accounted for 6.5% of national employment in tertiary education in 2019 compared with 8.8% in 2000. Employment in the tertiary education sector is dominated by higher education sector employment in Palmerston North, which accounts for 39% of total education sector employment in the region.

There is a significant economic benefit to the region as a result of spending by students based at these institutions. Estimates, based on the 2017 survey by the New Zealand Union of Students Association, suggest that annual student expenditure in the region in 2019 was between \$138 million and \$150 million.

The supply of jobs for students also contributes to economic activity through part-time employment in a wide range of service industries in the City and is an important aspect in meeting labour market demand in a range of industry sectors. Employment is mostly concentrated in retail trade, accommodation, cafes and restaurants, and administrative and support services (including call centres). The availability of a wide range of part-time work in the region is also important for the financial sustainability of students. There are strong linkages between tertiary education and the research, science and technology sector in the City and it is unlikely the region would have significant research activity if the region did not have a university.

## Economic benefits

The education sector brings a broad range of economic benefits to the Manawatū region, which are much wider than the amount of economic activity the sector creates. Educational achievement has been shown to have a major influence on income, social mobility, quality of life and other important life outcomes. The availability of a diverse range of tertiary study options is an important factor in attracting migrants to the region.

International students add to the diversity of the region, sustaining a higher level of net migration in the region than would occur otherwise. All of the university cities in New Zealand have more diverse ethnic populations than the cities without a university.

The strength of Massey University research is a key factor in the location in Palmerston North of three Crown Research Institutes (AgResearch Grasslands, Plant and Food Research and Landcare Research), the Fonterra Research Centre, the Riddet Institute, Hopkirk Research Centre, New Zealand Leather and Shoe Research Association, and Food HQ. These research centres bring additional significant employment to the region. Other major employers in the City have also cited the presence of the university in the City as one factor considered when deciding to base their organisation in the City.

### EMPLOYEE COUNT



6,820

11.3% of total employment

### BUSINESSES/ ORGANISATIONS



279

2.4% share of business

### EARNINGS



\$374M

10.8% of total earnings

### GDP



\$396M

6.5% of total GDP



## Introduction

**Economic growth theory is based on the concept of a steady process of increasing the productive capacity of the economy, and hence increasing national income and the incomes of the individuals living in that country. One of the primary factors of production, 'labour', is the collective name economists give to the productive services embodied in human physical effort, skill, intellectual powers, ability and knowledge. Human capital development enhances productivity and economic growth. This includes both labour force development and skills training for business owners and entrepreneurs.**

Education has long been recognised for its role in determining life opportunities and is recognised as being critical to New Zealand's economic prosperity. New Zealand's prospects in the global economy depend on our ability to adjust our education system to support economic growth. This means ensuring that our workforce is equipped with the skills needed to be productive in an economy that will increasingly place a premium on skills. The education system's research capability and international links can also make a significant contribution.

Educational achievement has a major influence on income, social mobility, quality of life and other important life outcomes. For New Zealand as a country, the success of the education system is a necessary condition for achieving productivity growth and international competitiveness. In recent years, there have been some significant improvements in education outcomes. The proportion of children participating in early childhood education has increased, qualifications of school leavers have increased, and a lower proportion of students leave school with low or no qualifications. Participation in both tertiary education and industry training has grown and the research output of tertiary institutions has improved.

The economic benefits the education sector provides for the Manawatū region are therefore much broader than the incomes of staff employed in the sector and the spending by tertiary level students who live in the region for their studies. A New Zealand Treasury report in 2004 "Healthy, wealthy and wise? A review of the wider benefits of education" identified a number of

wider benefits from education in addition to increased earnings. The link between education and income is clear, with the study noting that an additional year of education increases an individual's future wages by somewhere between 5% and 15%.

New Zealand based research studies have shown that better-educated people are:

1. less likely to have some types of mental disorders;
2. less likely to commit crimes and to have a criminal conviction;
3. less likely to be unemployed;
4. less likely to engage in risky sexual behaviour and have an early pregnancy; and
5. less likely to show early signs of some health problems.

The Treasury report grouped these benefits into individual benefits and wider social benefits. Individual benefits are those benefits which reward the individual for their investment of additional time in education. The wider social benefits are those which fall on all members of society, not just on the individuals who receive additional education. These were summarised into two groupings of earnings-related benefits and wider financial benefits.

<b>Individual benefits</b>	Higher wages	Healthier individuals Greater life satisfaction
	<b>Social benefits</b>	Higher national income
		Healthier population Better functioning society

<sup>1</sup>Johnston, G. (2004). *Healthy, wealth and wise? A review of the wider benefits of education*. New Zealand Treasury Working Paper 04/04



## Early childhood education

### Overview

**There has been a steady increase in the number of children enrolled in licensed early childhood education (ECE) services since 2000, and the average hours that children are enrolled for is also increasing. In the Manawatū region:**

- the number of children in the 0 – 4 years age group is estimated to have increased from 7,150 children in 2001 to 7,840 in June 2019, an increase of 690 children (9.7%);
- Infometrics population projections suggest the 0 – 4 years population in the region will increase steadily over the next 33 years, reaching 9,585 by 2053, an increase of 1,878 children (24% increase) from 2018.
- there were 112 licensed early childhood education services in July 2019, an increase of 21 (23%) since 2000, and 25 playgroups, an increase of 10 (67%) since 2000;
- Enrolments in licensed early childhood education services were 5,267 in July 2019, an increase of 1,296 (30%) since 2000. There were a further 513 children enrolled in playgroups in the region, giving a total of 5,780 enrolments.
- The fastest growth in enrolments in licensed services was for the younger age groups.
- On average, children enrolled in licensed ECE services attended for 18.8 hours per week in Manawatū District, up from 12.1 hours in 2002, while in Palmerston North children enrolled in licensed early childhood education services attended for 22.3 hours per week, up from 16.8 hours in 2002. Average hours for New Zealand increased from 15.0 in 2002 to 21.6 hours in 2019;
- ECE participation in the six months prior to starting school in the region increased from 96.5% in June 2010 to 98.6% in June 2019. The national participation rate increased from 94.4% in June 2010 to 97.0% in June 2019.
- ECE participation rates for Māori (97.6%) and Pasifika (97.0%) children in the region are higher than the national averages of 95.6% and 93.1% respectively.

Education Counts (Ministry of Education) data for enrolments in licensed early childhood education services is based on the local authority in which each child was enrolled rather than where the child lives. The data shows high enrolment levels in Palmerston North compared with Manawatū District, with Palmerston North accounting for 80.9% of early childhood education enrolments in the Manawatū region compared with the City's 73.5% share of the region's population aged 0 – 4 years. A factor in the higher enrolment rate in Palmerston North is likely to be the high proportion of Manawatū District people who work in Palmerston North and also place their child in a service based in the City. Census 2018 identified that 15% of the city's workforce lives in another local authority.

The figures in the table below provide a headcount of enrolments. If a child is enrolled at more than one early childhood service, they will be counted more than once, resulting in enrolments exceeding the number of children in some age categories.

**Table 1: Number of early childhood services and enrolments in the Manawatū region (as at 1 July)**

Service Type	Number of services		Number of enrolments	
	2002	2019	2002	2019
<b>Licensed Services</b>	<b>91</b>	<b>112</b>	<b>3,949</b>	<b>5,267</b>
Education & Care	44	63	1,815	3,560
Home-based	4	13	135	588
Kindergarten	18	18	1,476	710
Kohanga Reo	10	8	213	176
Playcentre	14	10	310	233
<b>Playgroups</b>	<b>15</b>	<b>25</b>	<b>312</b>	<b>513</b>
Pacific Island Early Childhood Groups	1	0	15	0
Playgroups-General	14	25	297	513
<b>Total</b>	<b>106</b>	<b>137</b>	<b>4,261</b>	<b>5,780</b>

Source: Education Counts





**Table 2: Enrolments in Manawatū region licensed early childhood services and playgroups**

	Under 1	Age 1	Age 2	Age 3	Age 4	Age 5	Unknown	Total
<b>July 2000</b>								
Manawatū District	26	68	124	267	271	3		759
Palmerston North	82	326	484	1,146	1,150	24		3,212
Manawatū region	108	394	608	1,413	1,421	27	0	3,971
New Zealand	5,695	16,015	27,612	48,041	54,931	1,673		153,967
<b>July 2018</b>								
Manawatū District	58	163	249	319	349	8	10	1,156
Palmerston North	238	766	946	1,214	1,302	37	1	4,504
Manawatū region	296	929	1,195	1,533	1,651	45	11	5,660
New Zealand	11,962	32,793	46,868	59,853	61,765	3,056	796	217,093
<b>2000-2018 increase</b>								
Manawatū District	123%	140%	101%	19%	29%	167%		52%
Palmerston North	190%	135%	95%	6%	13%	54%		40%
Manawatū region	174%	136%	97%	8%	16%	67%		43%
New Zealand	110%	105%	70%	25%	12%	83%		41%

Source: Education Counts

The average number of hours recorded for Palmerston North is higher than the national average of 21.6 hours and this may also be associated with the high commuter workforce in the City.

In the year ended June 2019, 97.5% of Manawatū District primary school students had attended early childhood education services in the six months prior to starting school, compared with 98.9% of students in Palmerston North. This overall participation rate for New Zealand was 97.0%.

Participation rates for Māori students have traditionally been lower than the overall average but the gap has been closing. In the year to June 2010 94.3% of Māori students in the region had attended early childhood education services

prior to starting school, but by June 2019 this had increased to 97.6%. The participation rate for Palmerston North Māori students increased from 95.3% in 2010 to 98.0% in 2019, Manawatū District increased from 90.9% to 96.3%, while national participation increased from 94.5% to 97.0%.

Participation rates for Pasifika students in Palmerston North have remained high across the nine years for which data has been published, with a participation rate of 98.6% in 2010 and 98.4% in 2019. The participation rate in the City has been much higher than the average for New Zealand, which has improved from 85.9% in 2010 to 93.1% in 2019. Participation data is not published for Manawatū District due to its small number of Pasifika students.

## Languages spoken

Use of other languages in early childhood education centres in the region has increased as centres have responded to the increased diversity of their students. Languages added between 2002 and 2019 were; Fijian, Hebrew, Hindi, Malayalam, Nepalese, Panjabi, Russian and Telugu. Irish and Korean were the only languages being used in 2002 that were not being used in 2019.

**Table 3: Languages used in 2019 in ECE centres in the Manawatū region (number of services = 137)**

Language	1-11%	12-20%	21-50%	51-80%	81-100%
Afrikaans	2				
English	2		1	27	74
Fijian	3				
French	1				
German	3				
Japanese	3				
Malayalam	2				
Māori	65	27	9		8
Nepalese	1				
New Zealand Sign Language	9	1			
Northern Chinese	7				
Other Miscellaneous Languages	1				
Panjabi	1				
Russian	2				
Samoan	8		1		1
Sign Language not further defined	11				
Spanish	1				
Tongan	1		1		1
<b>Total</b>	<b>123</b>	<b>28</b>	<b>12</b>	<b>27</b>	<b>84</b>

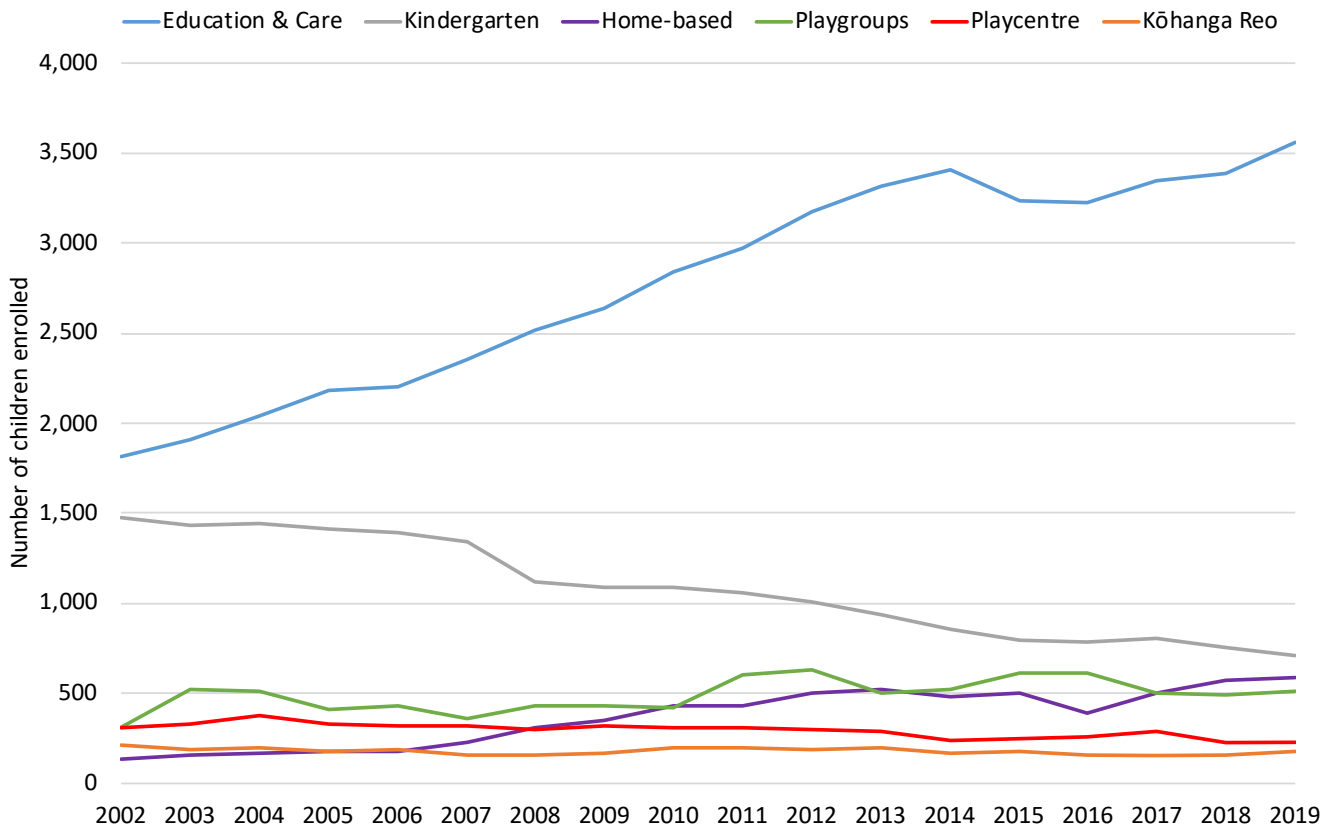
Source: Education Counts

## Type of service

Education and care services accounted for 46% of enrolments in the region in 2002 but by 2019 their share had increased to 68%. Home-based services also experienced strong growth, with their share of enrolments increasing from 3% in 2002 to 13% in 2019. In contrast,

enrolments at kindergartens have decreased, declining from 37% of total enrolments in 2002 to 13% by 2019. Kōhanga Reo enrolments have also declined, with a greater proportion of Māori children attending education and care and home-based services.

**Figure 1: Number of enrolments in licensed ECE services in the Manawātū region**



Source: Education Counts

## Preschool employment

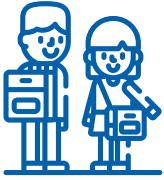
Statistics New Zealand employment data differentiates between preschool education employment (classified as part of the education sector) and child care services (classified as part of the health care and social assistance sector). In February 2019 there were 775 people employed in preschool education in the Manawātū region, an increase of 210% since February 2000. There were a further 470 people employed in child care services in the Manawātū

region, an increase of 81% from February 2000.

The strongest rate of growth in preschool education employment has occurred in Manawātū District, where employment increased from 59 jobs in February 2000 to 195 jobs in February 2019, an increase of 230%. Preschool employment in Palmerston North increased from 450 jobs in February 2000 to 1,050 jobs in 2019, an increase of 133%.



## Primary and secondary school education



### Primary education

**In February 2019 there were 1,390 people employed in primary education in the Manawatū region, an increase of 9% since 2000. Employment declined by 8% in Manawatū District and increased by 17% in Palmerston North over this period.**

Palmerston North school rolls for years 1 – 8 declined by 5.6% between 2000 and 2010 but increased by 14% between 2010 and 2019. Manawatū District also experienced a decline in school rolls between 2000 and 2010 but rolls began to increase in 2011. Roll growth in the region has been higher than the national growth rate for the past three years.

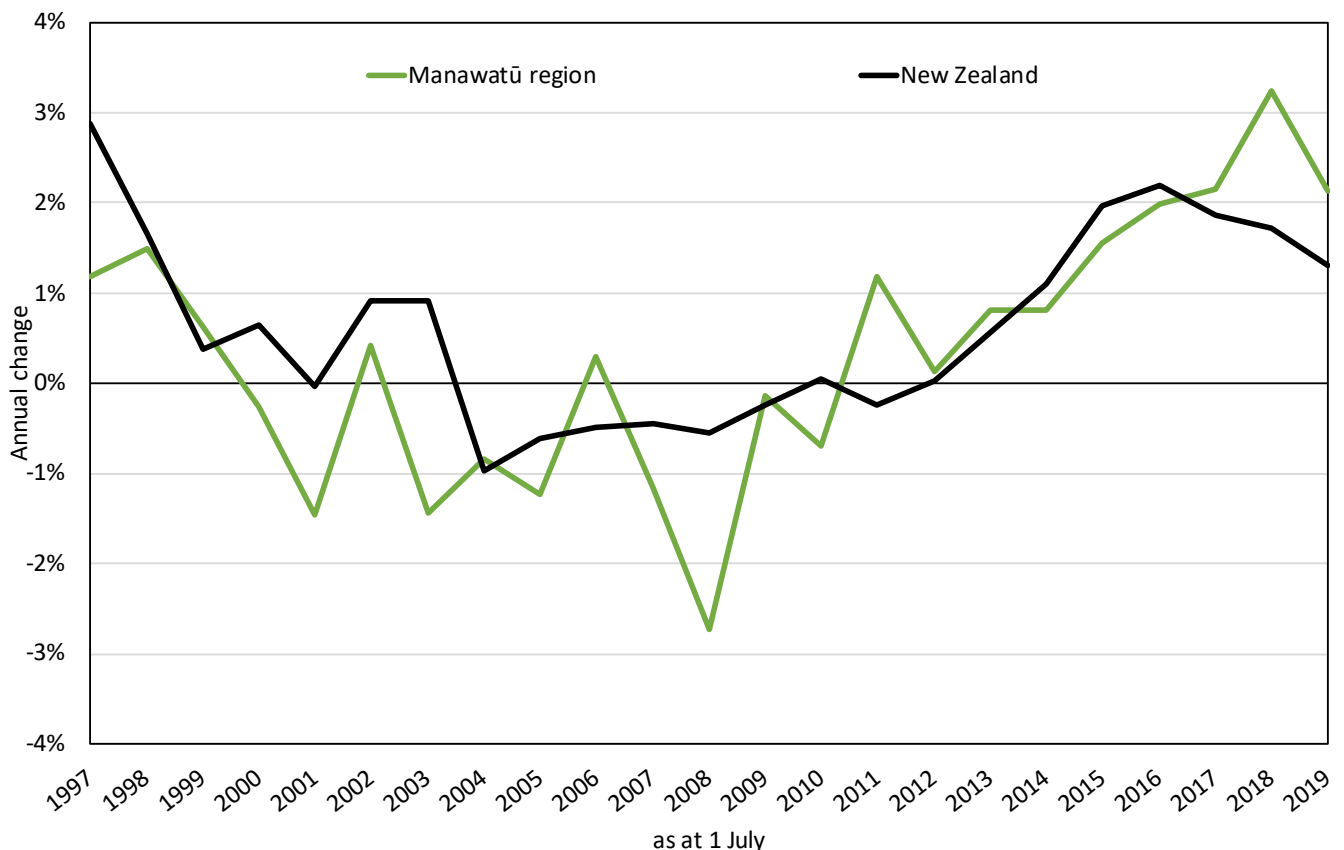
The increase in primary school rolls is due to an increase in the number of births in the region since 2002 and increased net migration. One contributor to increasing migration has been the number of former refugees being settled in the region. Settlement of former refugees in Palmerston North began in 2004, with 60 former refugees arriving in the City on an annual basis. The annual intake had been growing but increased further following the Canterbury earthquakes. The number of refugees being settled in the region peaked at just over 170 in 2018 but will reduce to around 150 a year once refugee resettlement commences in Levin and Whanganui during 2020. There has also been

a significant decline in the number of people moving to Australia in response to a weaker employment prospects in Australia and changes in government policies applying to New Zealanders living in Australia. The decline in overseas departures to Australia has been mainly in the 0 – 40 years age group.

Long-term population projections produced by Infometrics for the region to 2053 suggest there will be continued growth in the number of births in the region over the period between 2018 and 2053 and continued net gains from migration. The projections suggest the:

- 0-4 years population will increase by 1,900 between 2018 and 2053, an increase of 24%,
- 5 – 9 years population will increase by 1,532 between 2018 and 2053, an increase of 19%,
- 10 – 14 years population will increase by 2,111 between 2018 and 2053, an increase of 27%.

**Figure 2: Annual change in primary and intermediate school rolls**



Source: Education Counts



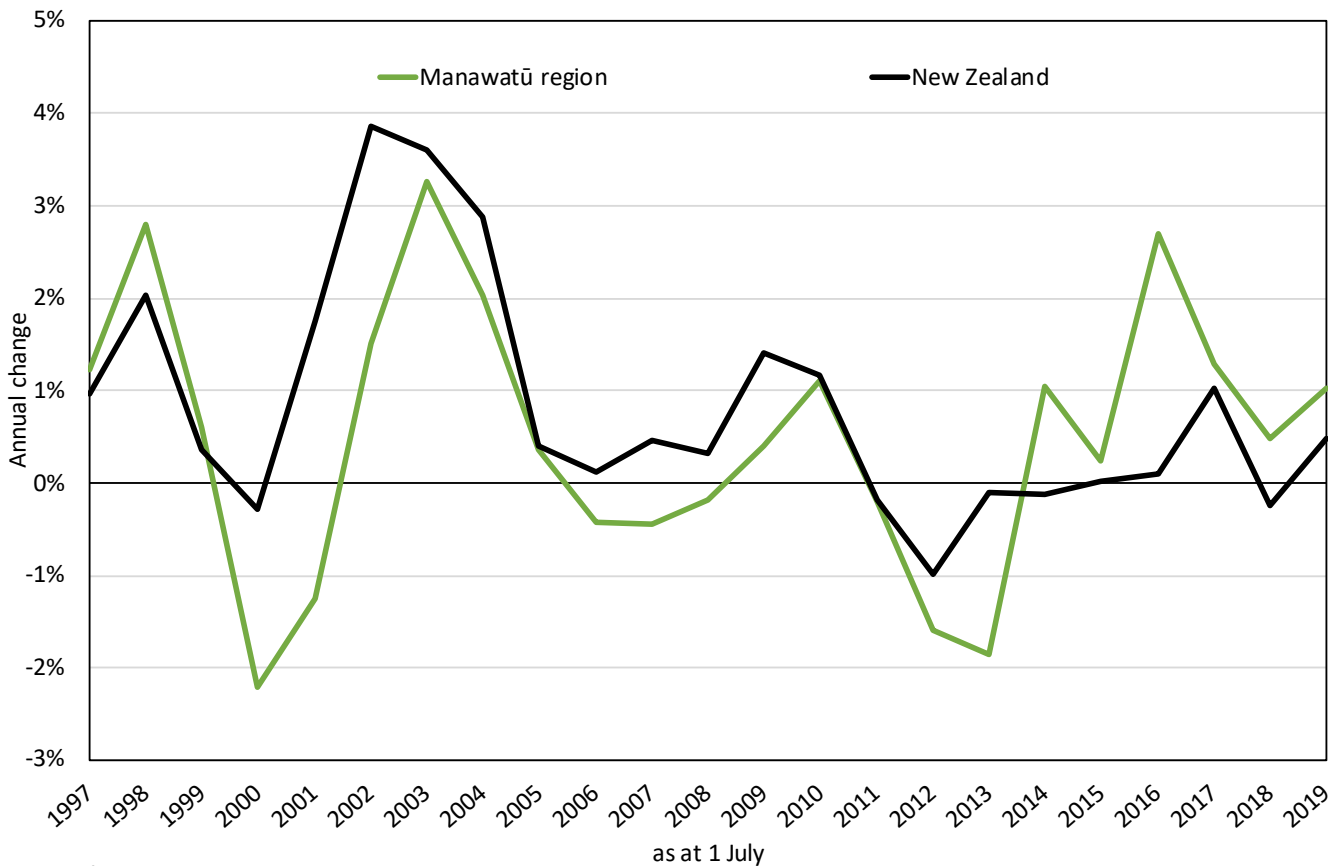
## Secondary education

**In February 2019 there were 1,310 people employed in secondary education in the Manawātū region. In contrast to primary education, secondary school employment increased strongly up to 2011, but declined between 2011 and 2013.**

Employment has been growing since 2013 but is still below 2011 levels. The increase in employment to 2011 was supported, in part, by increased retention of students in years 12 and 13. This occurred in response to the impact of the global financial crisis in 2008/09, which resulted in an increase in unemployment, with high rates in the 15 – 19 and 20 - 24 years age groups. New Zealand year 12 and year 13 student numbers have been relatively stable since 2011 but have declined over the last two years.

School roll data for years 9 – 15 also shows a high share of national student numbers at schools based in the region, but this share has declined slightly over the last ten years. In 2000 the total secondary school roll in the region was 2.9% of the national school roll, well above the region's 2.5% share of the national population. This reflects the number of pupils from the wider region who travel into the City for school on a daily basis or board in the region during the school term.

**Figure 3: Annual change in secondary school rolls**



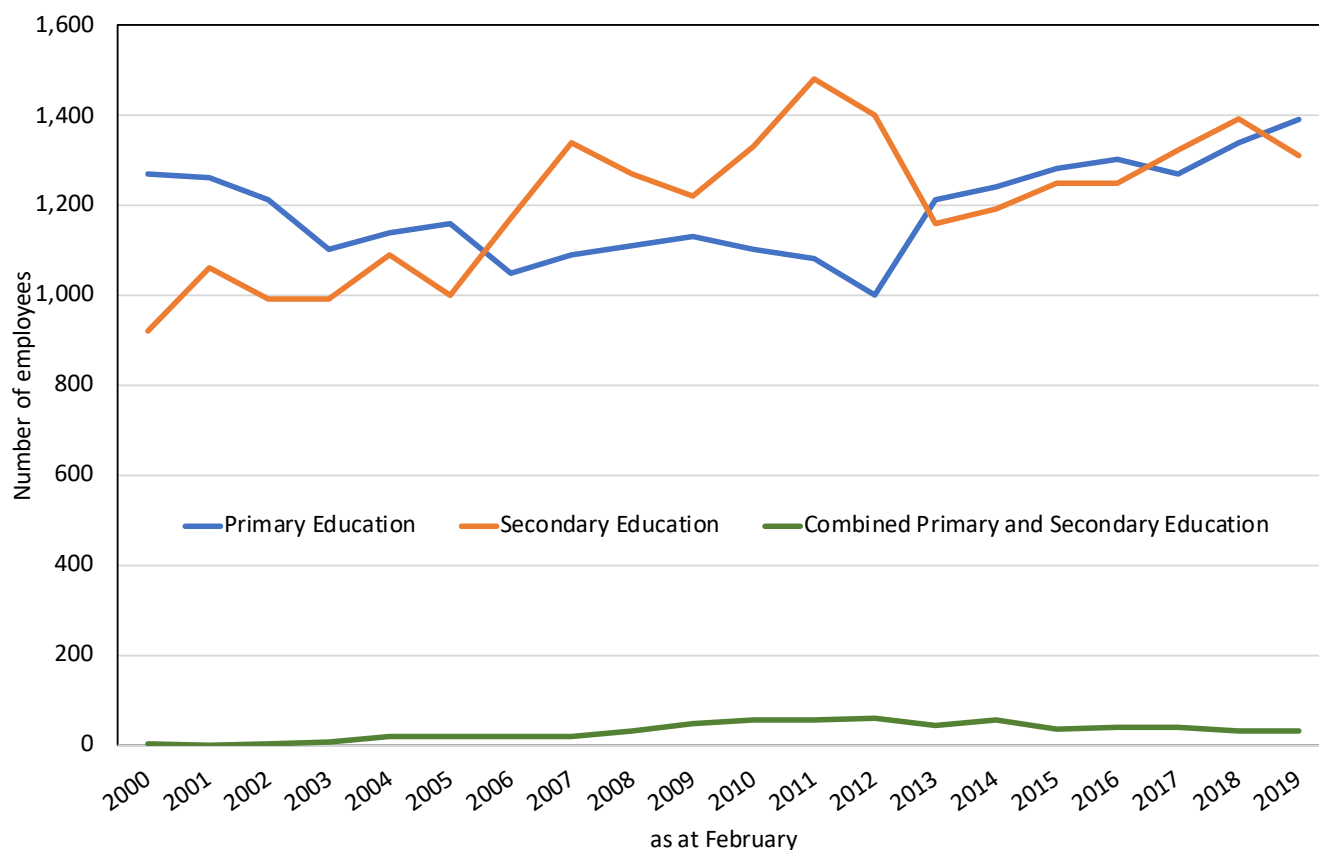
Source: Education Counts

<sup>2</sup>March 2020 projections

## Combined primary and secondary education

The growth in primary education employee numbers noted above between 2010 and 2019 was achieved despite the reclassification of Cornerstone Christian School in 2014 from a full primary school (years 1 – 8) to a composite school (years 1 – 15). Mana Tamariki is the other composite school in Palmerston North. In 2019 the total roll for the two schools was 600 students, accounting for a 3.7% share of total school student numbers in the City.

**Figure 4: School employment in the Manawātū region**



Source: Statistics New Zealand

## Foreign fee-paying students attending school

In July 2019 12,420 foreign fee-paying students were attending schools in New Zealand, (accounting for 1.3% of total student enrolments) while there were 251 foreign fee-paying students in the Manawātū region. Student numbers in the region have been stable over the last three years, after recording very strong growth between 2013 and 2018.

**Table 4: International fee-paying students in the Manawātū region**

Year (as at 1 July)	Palmerston North	Manawatu District	Manawatu Region	New Zealand
2010	117	4	121	9,661
2011	131	7	138	9,868
2012	111	9	120	8,936
2013	124	6	130	9,290
2014	165	10	175	9,435
2015	176	7	183	9,963
2016	215	1	216	11,012
2017	243	2	245	12,134
2018	269	6	275	12,398
2019	242	9	251	12,420

Source: Education Counts



## School leaver educational attainment levels

### School leavers with little or no attainment

**In 2018, 11.2% of all school leavers in New Zealand did not achieve NCEA level 1 while the percentage for the Manawatū region was 11.8%.**

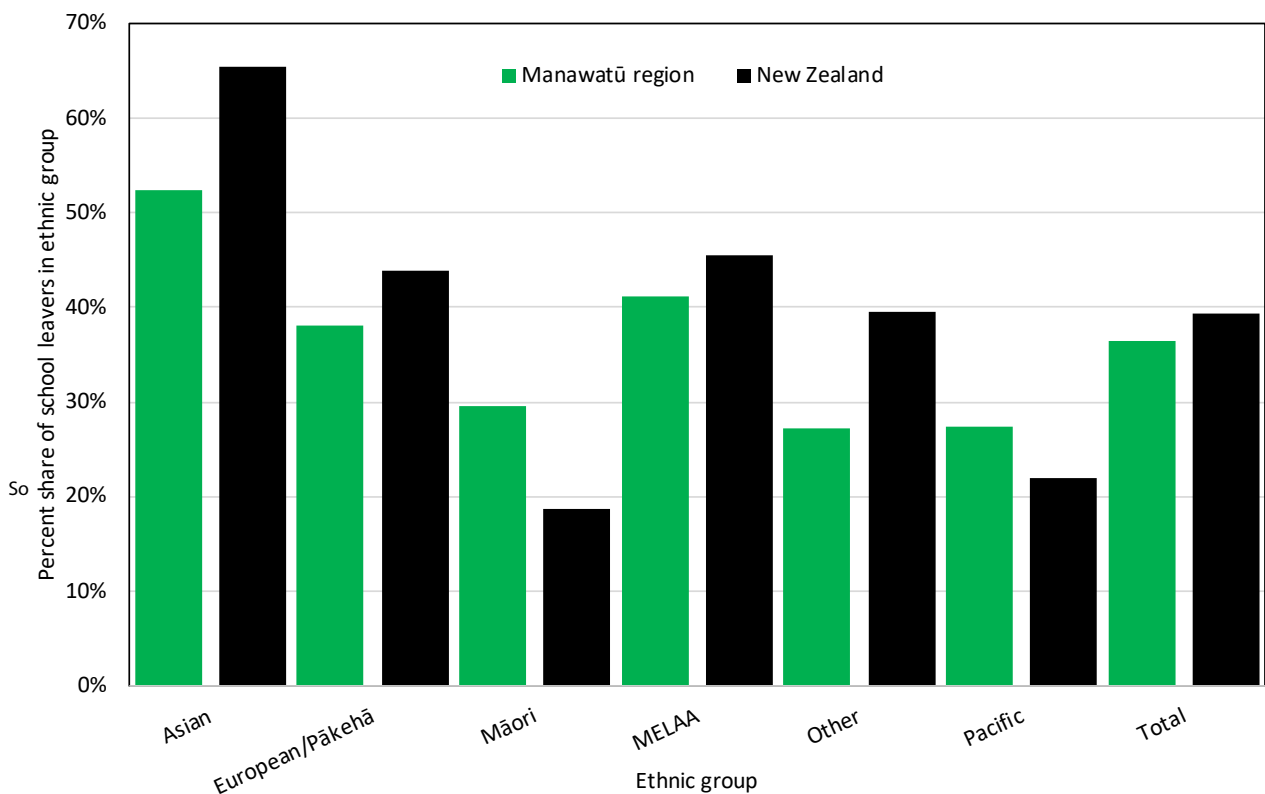
There has been a significant reduction in the proportion of school leavers who did not achieve NCEA level 1, with the national share declining from 19.1% in 2009. The percentage of Manawatū region school leavers who did not achieve NCEA level 1 has usually been below the average for New Zealand but during 2017 and 2018 there was been an increase in this number in the region.

### Percentage of school leavers qualified to attend university

**In 2019, 39.4% of New Zealand school leavers achieved university entrance, a standard that allows them to go directly into tertiary study at degree level.**

The proportion of school leavers in Palmerston North qualifying for university was the same as the national average. The results for the Manawatū region were slightly lower, with 36.4% of school leavers achieving university entrance (28.6% in Manawatū district and 38.3% in Palmerston North).

**Figure 5: Percentage of school leavers who achieved University Entrance in 2018**



Source: Education Counts

Manawatū region university entrance results in 2018 for Asian and European/Pākehā school leavers were lower than the national average but the achievement results for Māori and Pasifika students in the region were significantly better than the national data; 29.5% of Māori school leavers in the region achieved university entrance, compared with an average of 18.6% across all New Zealand Māori student school leavers. The achievement rate for Pasifika students in the region was 27.4% compared with 21.9% nationally. The graph above shows there is a much smaller range in

University Entrance achievement between ethnic groups within the region than occurs nationally.

Achievement data by gender shows a marked difference in achievement levels between females and males, with 45% of females in the Manawatū region achieving university entrance compared with 29% of males. In 2018, 46% of New Zealand female school leavers and 33% of New Zealand male school leavers achieved university entrance.

## Tertiary education



**The tertiary education sector is the largest component of the education sector in the region, but its share of total employment declined from 52% of total employees in 2000 to 42% in 2019 due to growth in other parts of the education sector.**

There were 2,875 people employed in tertiary education in 2019, a decline of 1% from 2000.

The Tertiary Education Commission Directory of Tertiary Education Providers listed 16 providers in the Manawatū region in October 2019.

**Table 5: Directory of tertiary education providers**

Name	Type	Sector
Academy of Diving Trust	Private	Recreation/Fitness
BHB Academy	Private	Hairdressing/Beauty Therapy/Fashion
Endeavour Technical Training Limited	Private	Trades and Services
English Teaching College	Private	English Language School
Horizon Education	Private	Early Childhood Education & Care/Nanny Training
Industry Training Solutions Limited	Private	Travel Agency Training/Tourism/Hospitality/Retail
IPU New Zealand	Private	General
Links Training (2008) Limited	Private	First Aid/Safety
Massey University	University	
New Zealand International Commercial Pilot Academy Limited	Private	Aviation
New Zealand Sports Turf Institute Limited	Private	Agriculture/Horticulture/Science
NZ Leather & Shoe Research Association	Private	Agriculture/Horticulture/Science
Palmerston North School of Design	Private	Art/Design/Craft
Real World Education	Private	Agriculture/Horticulture/Science
Transpower New Zealand Limited	Private	
Universal College of Learning	Polytechnic	

Source: Education Counts

### Technical and vocational education and training

This classification covers the provision of technical and vocational education and training. Activities include apprenticeship training programmes, business colleges, English language schools, and professional and management development and information technology training. The number of organisations in the sector in the Manawatū region increased from 13 in 2000 to 21 in 2019, but the increase in employment has been much stronger - from 27 employees in 2000 to 155 in 2019.

### Higher education

The major institutions included in this classification are Massey University, Universal College of Learning (UCOL), Te Wananga O Aotearoa and Institute of the Pacific United

(IPU), which accounted for 6,506 student enrolments in Palmerston North in 2019 (full-time equivalent). This included 1,264 international students. Employment in the sector has declined from 2,850 jobs in 2000 to 2,700 in 2019, a decline of 5.3%. Hamilton and Dunedin also experienced a decline in higher education employment between 2000 and 2019, but the three largest cities experienced an increase in employment.

These aggregate statistics provide only a partial picture of the changes that have been occurring in the higher education sector. There have also been declines in the number of non-degree students at universities, weak growth in degree student numbers, and strong growth in post-graduate students (particularly on an equivalent full-time student (EFTS) basis).





**Table 6: Higher education student enrolments in Palmerston North (Full-time equivalent as at 31 March (EFTS))**

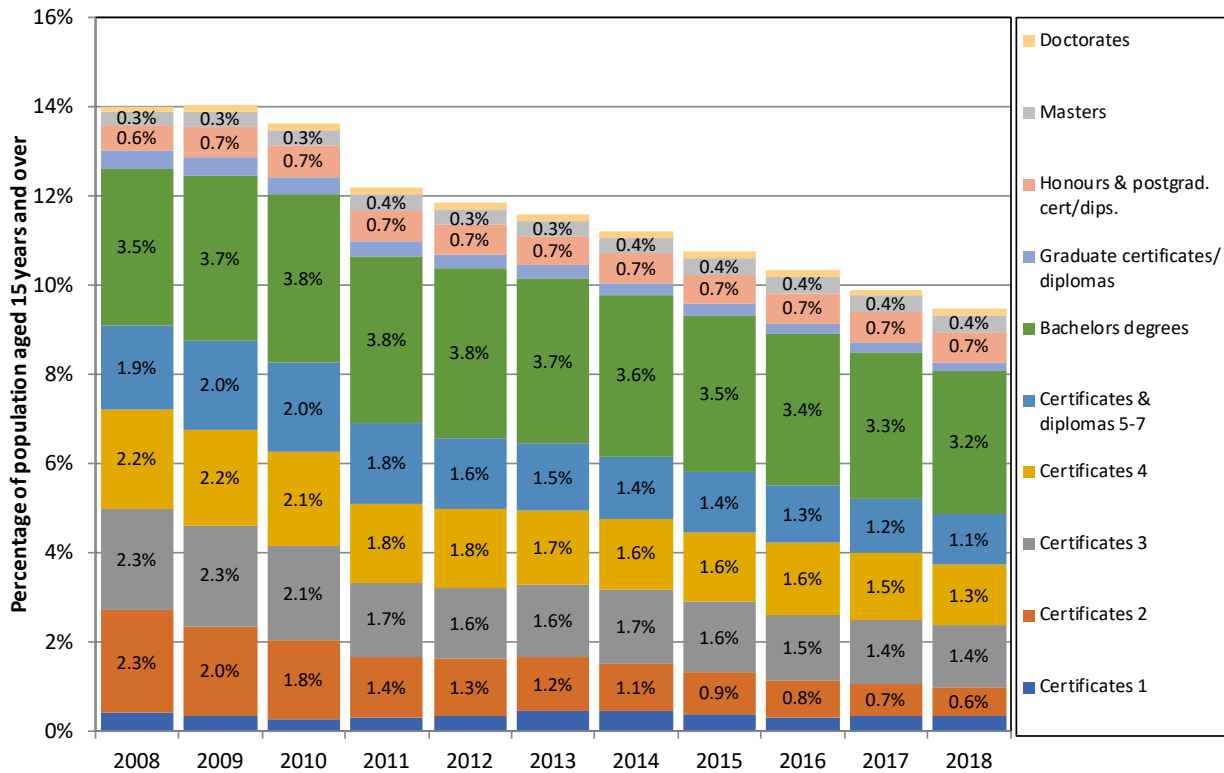
		Massey University	Universal College of Learning (UCOL)	Te Wānanga o Aotearoa	Institute of the Pacific United (IPU)	Total Higher Education
2012	Domestic	4,477	1,993	502	57	7,029
	International	1,127	163	0	296	1,585
	<b>Total</b>	<b>5,603</b>	<b>2,156</b>	<b>502</b>	<b>353</b>	<b>8,614</b>
2013	Domestic	4,247	1,872	446	49	6,614
	International	1,090	165	0	325	1,580
	<b>Total</b>	<b>5,337</b>	<b>2,037</b>	<b>446</b>	<b>374</b>	<b>8,194</b>
2014	Domestic	4,029	1,905	514	47	6,495
	International	1,077	104	0	398	1,578
	<b>Total</b>	<b>5,105</b>	<b>2,009</b>	<b>514</b>	<b>445</b>	<b>8,074</b>
2015	Domestic	3,896	1,919	483	20	6,318
	International	965	123	0	312	1,400
	<b>Total</b>	<b>4,861</b>	<b>2,042</b>	<b>483</b>	<b>332</b>	<b>7,718</b>
2016	Domestic	3,630	1,820	509	42	6,001
	International	886	158	0	233	1,277
	<b>Total</b>	<b>4,516</b>	<b>1,978</b>	<b>509</b>	<b>275</b>	<b>7,278</b>
2017	Domestic	3,510	1,731	536	34	5,811
	International	915	144	0	268	1,327
	<b>Total</b>	<b>4,425</b>	<b>1,875</b>	<b>536</b>	<b>302</b>	<b>7,138</b>
2018	Domestic	3,209	1,718	511	33	5,471
	International	874	143	0	196	1,213
	<b>Total</b>	<b>4,082</b>	<b>1,861</b>	<b>511</b>	<b>229</b>	<b>6,683</b>
2019	Domestic	3,076	1,621	484	61	5,242
	International	925	158	0	181	1,264
	<b>Total</b>	<b>4,001</b>	<b>1,779</b>	<b>484</b>	<b>242</b>	<b>6,506</b>
2020	Domestic	2,965	1,572	471	48	5,056
	International	911	172	0	144	1,226
	<b>Total</b>	<b>3,876</b>	<b>1,744</b>	<b>471</b>	<b>192</b>	<b>6,283</b>

Source: Massey University, UCOL, Te Wananga O Aotearoa and IPU.<sup>3</sup>

Funding changes by the Tertiary Education Commission and government policy decisions to reduce access to student allowances and student loans (for example, for older students or students who failed to complete a minimum number of credits in the previous year) have contributed to a reduction in participation rates in tertiary education in New Zealand. Participation-rates data is only available on a national basis, but these factors appear to have contributed to the reduction in student numbers in the region.

<sup>3</sup> Note: IPU changed its academic calendar. This means that 31 March is now after the end of summer term, when many students finish, and before the start of Semester 1. The EFTS counts for 2018 and 2019 are based beginning of semester 1 in April, since no one is actually studying at 31 March.

**Figure 6: Percentage of the population aged 15 and over who were enrolled in tertiary study at any time during the year**



Source: Education Counts

## Student expenditure

The New Zealand Union of Students Association Income and Expenditure Survey in 2017 is the most recent comprehensive survey of student expenditure in New Zealand. The 2017 report does not provide a regional breakdown for Palmerston North, with the 2011 survey the latest providing a regional breakdown for the City. Total average student spending in the 2016 survey was \$17,661 per year, or \$340 per week. Median student spending was \$15,615 or \$300 per week (this does not include average one-off costs of \$5,252 annually).

Since the latest survey was run in 2017, the maximum student allowance payment has been increased by \$50 per week from January 2018. While the maximum rate of accommodation benefit was increased to \$60 in larger centres, the maximum was \$47 in Palmerston North. In the first half of 2019 there were nearly 53,000 students receiving the student allowance, but most do not receive the full entitlement. The average annual amount paid in 2019 was \$4,335, an increase of \$1,000 from 2017. Just over 35,000 students were receiving the accommodation supplement, receiving an average of nearly \$1,100 per student.

Estimates for living expenses from the 2011 survey suggested average annual student living costs in Palmerston North (excluding childcare) were \$13,049 compared with an average of \$16,284 for all universities.

The most expensive city was Auckland, where annual living costs were \$22,252 - \$9,200 a year more than the average living costs in Palmerston North. The gap is even wider for students with childcare costs, with Auckland students paying on average \$10,500 more than students in Palmerston North. The difference in student living costs in the 2011 survey was primarily due to regional differences in average weekly rents (see table below).

The latest survey revealed that two-thirds of students have paid in-term employment, working an average of 13 hours per week. Students are therefore an important part of the City workforce and the availability of student labour has been identified as a factor in the expansion of some industry sectors here, particularly call centre operations and the logistics sector.

Data collected by the Council for full-time equivalent student enrolments in Palmerston North records 6,283 EFTS in 2020 for the four main tertiary institutions. Based on this student count, total student expenditure in the region during 2020 is estimated to have been between \$138 million and \$150 million. These estimates are based on the 37 weeks that is funded by the student allowance. The higher estimate includes childcare costs. Changes in government funding for childcare since 2004 have reduced costs for many students with children.

**Table 7: Annual average weekly rent as at January (geometric mean)**

	New Zealand	Auckland	Christchurch	Dunedin	Hamilton	Palmerston North	Wellington
2004	\$224	\$329	\$210	\$187	\$207	\$179	\$271
2005	\$237	\$329	\$227	\$209	\$222	\$188	\$282
2006	\$247	\$329	\$237	\$219	\$235	\$198	\$291
2007	\$259	\$333	\$245	\$213	\$247	\$215	\$307
2008	\$276	\$350	\$262	\$227	\$261	\$224	\$335
2009	\$289	\$366	\$271	\$235	\$272	\$234	\$352
2010	\$291	\$369	\$268	\$245	\$275	\$237	\$363
2011	\$298	\$378	\$275	\$249	\$279	\$244	\$373
2012	\$308	\$398	\$292	\$267	\$285	\$244	\$370
2013	\$320	\$413	\$321	\$277	\$286	\$254	\$376
2014	\$332	\$424	\$352	\$282	\$296	\$258	\$385
2015	\$345	\$441	\$382	\$291	\$300	\$267	\$399
2016	\$362	\$471	\$369	\$300	\$314	\$273	\$403
2017	\$378	\$489	\$359	\$308	\$334	\$284	\$417
2018	\$395	\$505	\$343	\$324	\$356	\$300	\$444
2019	\$414	\$515	\$351	\$339	\$371	\$306	\$469
2020	\$436	\$519	\$355	\$369	\$394	\$338	\$520
2004 - 2020 change	\$212	\$190	\$145	\$182	\$187	\$160	\$249
	<b>95%</b>	<b>58%</b>	<b>69%</b>	<b>97%</b>	<b>90%</b>	<b>89%</b>	<b>92%</b>

Source: MBIE (A geometric mean is used when comparing different types of properties)

## International students

The latest Infometrics estimates for the national export education sector (2015/16) suggest it contributed around \$4.3 billion to the New Zealand economy, of which \$240 million came from the offshore provision of education services. English language students account for the largest number of international students, but the higher education sector (universities, institutes of technology, polytechnics and wānanga) contributes the most in terms of full-time equivalent student numbers. Manawatū region estimates produced by Infometrics suggest the supply of goods and services to international students contributed \$44 million to the region's economy and resulted in the creation of 352 jobs.

In 2019 Massey University had 1,949 international students on the Manawatū campus at Palmerston North from around 90 different countries, IPU had 310 students and UCOL had a further 298 international students. Combined, this is a total of 2,557 students in 2019, or 17% of total student enrolments. In addition to international tertiary students, there were 251

foreign fee-paying students attending Manawatū region schools in July 2019. Most students in the region were enrolled at Palmerston North schools, with the majority attending secondary school.

## International study tours and customised group courses

Massey University also designs and delivers customised study tours and group courses for professional development, university preparation and for English language study. Each year groups from around the world come to Massey to attend courses which are designed to meet their specific areas of academic or cultural interest. Part-time or full-time courses are available and special projects, activities and field trips are incorporated into the course to suit the needs of the group. These are often mature students, so the level of spending while they are staying in the City is often higher than for students here for full-time study. These students are not counted in the enrolment data reported earlier.



## Adult, community and other education

This classification includes driving schools, flying schools, instruction in diet, exercise and lifestyle factors, parent education, and tutoring services. The number of organisations in the Manawatū region in this sector has increased from 51 in 2000 to 66 in 2019 while the number of employees increased from 186 employees in 2000 to 375 in 2019.

### Sports and physical recreation instruction

Activities included in this classification include diving instruction, cricket coaching, golf instruction, horse riding school operation and martial arts school operation. This sector has also recorded strong employment growth, increasing from three employees in 2000 to 55 in 2019. Fitness centres, swimming pools, health clubs and gymnasias are classified elsewhere.

### Arts education

This classification covers acting and drama schools, music schools and dance and ballet school operations. The number of arts education organisations has been stable but employment has increased from 18 employees in 2000 to 25 in 2019.

### Other adult, community and other education

This classification covers other activities involved in providing adult, community education. In February 2019 there were 66 business units in the sector, which had 295 employees.

## Educational support services

**Educational support services employed 92 people in the region in 2019, up from just three people in 2000. Much of the growth in this segment of the sector appears to have come from a shift in employment away from special school education services which employed 85 people in 2009, but the employees are now classified elsewhere in the sector.**



## Contributions to Economic Wealth in the Manawatū region

**This classification includes driving schools, flying schools, instruction in diet, exercise and lifestyle factors, parent education, and tutoring services. The number of organisations in the Manawatū region in this sector has increased from 51 in 2000 to 66 in 2019 while the number of employees increased from 186 employees in 2000 to 375 in 2019.**



### Retail employment

The retail sector is a very important source of part-time and holiday employment for students in tertiary education facilities in the region, reflecting the important inter-linkages which occur between sectors. Data from the 2018 Census show that young people in the 15 – 24 age group accounted for 33% of employment in the retail sector in the Manawatū region, while this group accounted for 16% of overall employment in the region. The highest share was in the accommodation and food services sector, which includes cafes, restaurants and takeaways, where the 15 – 24 years age group accounted for 46% of employees.

The retail sector accounted for 9,150 jobs in the Manawatū region in February 2019, or 15.1% of total jobs in the region. Annual earnings (salaries and wages and self-employed) were \$338 million in the year to



### Research, science and technology

A detailed comparison of university research and development (R&D) expenditure in 2004 was prepared by the Ministry of Research, Science and Technology in its Research and Development in New Zealand: A Decade in Review report, published in 2006. While the data is available only at an institutional level rather than at a regional level, the data is still useful for an analysis of trends in Palmerston North.

Unfortunately, the detailed university level by sector data has not been repeated in subsequent surveys. Massey University was the third largest university in terms of R&D expenditure in 2004, with expenditure of \$73.1 million, 16% of total university R&D expenditure. Key strengths for Massey University in 2004 were;

- industrial development R&D expenditure. Expenditure by Massey in 2004 was 31% of total university industrial development R&D expenditure,
- agriculture, forestry and fishing sector R&D expenditure, where Massey was again ranked second. Its R&D expenditure was 34% of total university expenditure in this category, and
- development of infrastructure R&D expenditure. This expenditure category includes: commercial and trade services; urban and rural planning; transport; and information, communication, and technology software. In 2004 Massey was 20% of total university expenditure in this category.

These strengths are relevant to the future economic development potential for the Manawatū region. There are significant opportunities which exist for:

- Innovative processing opportunities which will significantly add value to existing primary products; and
- Innovative processing technology, which will significantly increase the opportunities to develop advanced machinery, technology and software for export to the rest of the world or the licensing of processing technologies internationally.

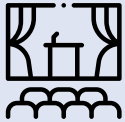
The strength of Massey University research is a key factor in the location of three Crown Research Institutes (AgResearch Grasslands, Plant and Food Research and Landcare Research), the Fonterra Research Centre, the Riddet Institute, Hopkirk Research Centre, NewZealand Leather and Shoe Research Association.

Estimates prepared by the Council using national and regional Statistics New Zealand data suggest that:

- an estimated 3,900 were people directly employed in research in the region (7.0% of total employment in the region in 2016),
- estimated full-time equivalent employment in research and development in the Manawatū region was 2,150 jobs in 2016,

- estimated salaries and wages paid to employees in the R&D sector in the region were \$186 million in 2016 (6.1% of total salaries and wages paid in the region),
- total research expenditure is estimated to have been \$350 million, 7.2% of the national total, and
- the estimated GDP of the research, science and technology sector in the Manawatū region was \$208 million in 2016.

The economic model used by the Council suggests that the direct and indirect economic activity created by the R&D sector in the Manawatū region added a further estimated \$226 million to GDP in the region.



## Conventions

The Manawatū region has a significant share of national conference activity as a result of the education and research and science expertise based here. Furthermore, in addition to the conferences held in the City, the sector also attracts a regular flow of visitors for meetings with researchers based in the City and for meetings among researchers from a range of institutions.

In the year to June 2019, 47 education events were recorded in Palmerston North, accounting for a 5.1%



## Extramural students

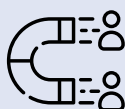
The delivery of extramural courses by Massey University also brings additional economic benefits to the region, particularly through the accommodation required when students come to the City to attend block courses. These are often timed during semester study breaks and so bring more students into the City



## Graduation ceremonies

All of the higher education institutions hold graduation ceremonies, which bring former students back to the City to celebrate their success with family and friends. The largest of the graduation ceremonies in Palmerston North is held by Massey University over four days in May each year. Paymark electronic retail transactions data for Palmerston North suggests that the Massey University graduation ceremonies in mid-May 2012 provided a \$0.5 million boost to City retailers. The Paymark analysis was based on retail expenditure over the period from Sunday 13th May to Thursday 17th May 2012 and compares the total value of transactions over this five-day period with the two weeks prior to and after graduation week.

Average five-day retail expenditure during the two weeks prior to and following the graduation week was \$7.7 million, while expenditure during graduation week rose to \$8.0 million (Paymark network transactions only). Transactions through Paymark account for just under 50% of total retail turnover, so the total increase in retail turnover is estimated to be around \$0.5 million. Not all retailers experienced an increase in sales, with small declines recorded for general retail and homeware stores (such as furniture, electronic and electrical goods, hardware and department stores) and recreational goods stores. There was a 49% increase in accommodation expenditure, a 6% increase in apparel store turnover and a 4% increase in food and fuel expenditure (this includes supermarkets, cafes, restaurants, takeaways and bars). Food and fuel is the largest retail sector in the City, accounting for around 60% of total annual Paymark retail spending in the City and it is estimated graduation week contributed to an increase in spending of around \$370,000 on food and fuel.



## Attractiveness of the region to migrants and employers

Many businesses consider the range of educational and training opportunities in the region available through Massey and UCOL are a key factor in locating in the region and also in attracting new staff to the region.



## Estimating the economic contribution of the education sector to the Manawātū region

**Measuring the size of the education sector is challenging because the output of the sector is not directly measured. In contrast, there are regular surveys of production and turnover in sectors like manufacturing, agriculture, construction and retailing. Employment is used to derive measures of output in education, but this has predominantly been based on employee numbers rather than employee earnings and income from self-employment. However, new data for earnings has been available since 2000 from administrative tax data,**

National employment data shows the education sector accounted for 8.4% of total employment (job count measure) in the year to March 2018. Earnings data shows the sector contributed 6.9% of annual earnings from salaries and wages and self-employment in the same year. However, current measures of GDP (production measure) suggest the education sector accounts for just 3.8% of New Zealand's GDP (year ended June 2019), so appear to understate the sector's importance to the economy.

Infometrics' estimates for the contribution of the sector to regional economic activity or GDP suggest it had a direct economic contribution of \$396 million in the year

ended March 2019. This estimate doesn't include the impact of tertiary student spending in the region, which is estimated to have contributed a further \$96 million to \$105 million to GDP in the region in 2019. This suggests a total regional economic impact from the education sector of \$492 to \$501 million.

A separate estimate for the impact of international education suggests it contributes \$102 million to GDP in Palmerston North. This estimate incorporates the additional employment in the tertiary education sector resulting from increased student numbers and student spending in the City. This suggests it contributes around one-fifth of total GDP in the sector.





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