

**KĀHUA RĀNGAI KĀWANATANGA
TE ROHE O MANAWATŪ
MANAWATŪ REGION
GOVERNMENT SECTOR PROFILE**

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Executive Summary

The purpose of these economic sector profiles for the Manawātū 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, public administration (including defence), logistics, construction, tourism, professional, scientific and technical services, and manufacturing. The region's large and diverse rural sector also contributes substantially to the resilience and diversity of the regional economy.

The government sector profile is different from the profiles based on industry classification because it is based on government ownership of institutions that operate in a wide range of industries. The government is the largest employer in the region, contributing 17,963 jobs in February 2021 (26.9% of the total workforce in the region, including the self-employed). Annual salaries and wages were \$1,244 million in the year ended March 2020. The sector accounted for 36.6% of salaries and wages paid in the region and 31.4% of total earnings, which include the incomes of self-employed people. Government employment contributes significantly more to the region's economy than nationally, where it accounts for 18.6% of jobs in New Zealand.

The number of government sector employees in the region increased by 3,435, or 23.6% between 2011 and 2021, significantly more than the national increase in government jobs of 13.9%. Most of this growth is due to central government, where the number of jobs increased by 3,315 jobs or 24.4%. The number of jobs in local government increased by 55 jobs, or 5.4%. The total workforce (employees and self-employed) across all sectors in the region increased by 11.8% between 2011 and 2021.

Government sector salaries and wages in the region increased by 37% between 2011 and 2020, a smaller increase than in the private sector, where salaries and wages increased by 55%. Total salaries and wages in the region increased by 46%. Government sector salaries and wages increased by 39% in Palmerston North while Manawātū District salaries and wages increased by 15%.

There were 122 government entities operating in the region in 2021, a decline of 10.5% from 2011. These accounted for 2.1% of total organisations in the region. These entities were operating from 255 different locations within the region. Statistics New Zealand classifies government entities into:

- Government owned trading entity (non-profit or for-profit) or crown entity (GOTE)**
- Central government**
- Local Authority Trading Enterprise (LATE)**
- Local government**
- Local government society**



Public administration and safety

Public administration and safety is the largest industry sector for government employment in the region, with 8,015 employees in February 2021, an increase of 2,275 employees or 39.6% from 2011. In 2021 the region accounted for 5.5% of national employees in this sector. This is significantly higher than the region's 2.7% share of total national employment. A small number (430) of public administration and safety employees in the region were employed in the private sector (mostly in investigation and security). Salaries and wages paid to government employees were \$549 million in the year to March 2020, while just \$17 million was paid to non-government organisation employees.

The Defence Force is the largest employer in this sector, with 3,970 employees recorded in the region at Linton, Hokowhitu and Ohakea. There was an increase of 1,200 Defence personnel between 2011 and 2021, an increase of 43%. National employment in the Defence sector declined by 2.2% over this period, a significant redistribution of the national Defence workforce to the region.

Central government administration was also a strong contributor to growth, with employment increasing by 71% between 2011 and 2021, an additional 710 jobs. Major employers include Waka Kotahi, Inland Revenue Department (IRD), Ministry of Social Development (MSD), and Ministry of Business, Innovation and Employment (MBIE). There were 1,384 employees in central government administration in 2021.

Local government institutions (Palmerston North City Council, Horizons Regional Council and Manawātū District Council) contributed 1,050 jobs to the Manawātū region in 2021, increasing by 13% from 2011. Salaries and wages paid to local and regional government employees were \$76 million in the year to March 2020, an increase of 44% from 2011.

Healthcare and social assistance

There were 8,700 employees in the health and social assistance sector in 2021, an increase of 17% from 2011. Salaries and wages paid in the sector were \$453 million in the year to March 2020, with \$216 million of that coming from government sector wages.

Government employees accounted for 36% of total employees in the sector and 48% of salaries and wages paid. There were 3,100 government employees in the sector in 2021, an increase of 44% from 2011. Salaries

and wages for government employees in the sector increased by 42% between 2011 and 2020, while total wage growth in the sector was 50%. The Government is a significant funder of health services in the region, but that financial contribution to the health and care services provided by non-profit and private organisations is not reflected in the government sector wage data.

Education and training

In the Manawātū region there are a wide variety of government educational institutes, including kindergartens, primary schools, secondary schools and tertiary institutions. In 2021, 5,500 people were employed in government educational institutions, which was 8.8% of the total jobs in the Manawātū region. Salaries and wages paid through government educational institutions were \$367 million in the year to March 2020, while salaries and wages paid in non-government educational institutions were \$45 million.

Arts and recreation

There were 128 government employees in arts and recreation in 2021, an increase of 38% from 2011. Salaries and wages were \$7 million in the year to March 2020, increasing by 91% from 2011. The largest central government employer in this sector is the Department of Conservation, while council-controlled Te Manawa is also included in this sector.

Other sectors

There were 1,220 government employees in other industry sectors in the region in 2021, with total salaries and wages of \$105 million in the year to March 2020. Job numbers declined by 9% between 2011 and 2021 but salaries and wages increased by 30% between 2011 and 2020. Major employers in these other sectors include New Zealand Post, KiwiRail, Airways New Zealand, Palmerston North Airport, AgResearch, Plant and Food, Landcare Research, ACC, KiwiBank, and Kainga Ora.



Introduction

The government sector is an important part of the Manawatu’s economy, accounting for a greater proportion of employment in the region compared with the national average. The sector directly accounted for 17,963 jobs in 2021 (28.6% of Manawatu’s total employees) and an estimated \$1,244 million in wages and salaries in 2020 (31.4% of the region’s total salaries and wages).

Government organisations also contribute to the economic growth of the region through a wide variety of indirect channels such as housing provision, education, health services, infrastructure, business support and other social services. These initiatives cause a flow-on

effect to other sectors of the Manawatu economy. The many organisations included in the government sector provide crucial services to Manawatu residents that protect their social, physical and cultural, and economic wellbeing.





Defining the government sector

The organisation of information into statistical series requires the use of classifications and standard methods of applying these. The sector profiles prepared by the Council have primarily been based on the Australian and New Zealand Standard Industrial Classification (ANZSIC), which is used to classify economic activity by the predominant products or services produced by an organisation. However, exceptions to this have been the Not-for-Profit Sector Profile published by the Council in 2020, and this profile of the government sector.

This profile is based on the ownership of individual organisations rather than the activities they are engaged in. The New Zealand Standard Institutional Sector Classification 1996 is the system used to classify 'businesses' or organisations by sector of ownership. At the highest level of the classification there are five key sectors identified that operate in the domestic economy:

- **Producer enterprises**
- **Financial intermediaries**
- **General government**
- **Private non-profit organisations serving households**
- **Households**

Further subcategories that have been developed within the general government sector are:

- Government owned trading entity (non-profit or for-profit) or crown entity (GOTE)
 - Central government
 - Local Authority Trading Enterprise (LATE)
 - Local government
 - Local government society

Although government departments are considered to be separate legal entities, some combine both entrepreneurial and governmental functions. Similarly, large territorial local authorities blend a variety of trading and administrative functions under one corporate heading. For the purpose of producing the employment statistics for this profile all government trading and administrative activities have been included, based on their ownership.

Employment

The largest economic contribution made by the government sector is through the wages and salaries paid to employees. In June 2021, the government sector accounted for 17,963 jobs, which represents 26.9% of the Manawatu's total workforce. These jobs accounted for \$1,244 million in wages and salaries in the year ended March 2020, a 31.4% share of the region's total earnings.

Employment in the government sector is concentrated in Palmerston North, which accounted for 90% of government sector jobs in the region in 2021 and 91% of salaries and wages in 2020. Table 1 shows the distribution of government sector employment and organisations in the region.

Table 1: Government sector summary

	Manawatū District	Palmerston North	Manawatū region	New Zealand
Salaries and wages (\$ million) (year ended March 2020)	117	1,127	1,244	
% of total salaries and wages	24.3%	38.6%	36.6%	
Employees as at February 2021	1,832	16,073	17,963	431,300
% of total employees	18.6%	30.4%	28.6%	18.6%
Enterprises (February 2021)	44	92	122	
Geographic units (February 2021)	81	186	255	3,144
% of geographic units	2.1%	2.3%	2.1%	0.6%

A geographic unit is a separate operating unit engaged in one, or predominantly one, kind of economic activity from a single physical location or base.

Source: Statistics New Zealand



Public administration and safety

The Public administration and safety classification includes organisation mainly engaged in:

- central or local government legislative, executive and judicial activities;
- providing physical, social, economic and general public safety and security services; and
- enforcing regulations.

The Public administration and safety sector is the largest provider of government jobs in the region. In 2021 there were 8,525 employees in the sector, with 8,015 people employed by government organisations. The number of government employees increased by 2,275 between 2011 and 2021, an increase of 40%. The largest provider of jobs in this sector is the Defence Force, which had 3,970 employees in 2021 and increased by 1,200 jobs from 2011.

Government sector salaries and wages paid in the year ended March 2020 were \$566 million, increasing by \$186 million, or 49% from 2011. Government salaries and wages in 2020 were \$549 million, 97% of salaries and wages in the sector.

Horizons Regional Council is included in local government, so the totals for employees and salaries and wages cover Palmerston North City Council, Manawatū District Council and Horizons Regional Council activities at sites within the Manawatū region.

The number of government organisations in the region declined from 66 in 2011 to 57 in 2021. Some of the reduction has come from the merging of separate government departments. This included the merger of the Department of Building and Housing, Department of Labour, and Ministry of Economic Development into the Ministry of Business, Innovation and Employment (MBIE). While housing activity has since been moved to the new Ministry of Urban Development, it is not recorded as being present in the region in March 2021. The Ministry of Māori Development (Te Puni Kokiri) did have a presence in the region in 2011 but is not recorded as having an office here in 2021.

Government organisations identified by Statistics New Zealand in the Public Administration and Safety sector in 2021 were:

Central government administration

Accident Compensation Corporation
(Te Kaporeihana Āwhina Hunga Whara)

Department of Internal Affairs (Te Tari Taiwhenua)

Inland Revenue (Te Tari Taake)

Ministry for Children - Oranga Tamariki

Ministry for Pacific Peoples
(Te Manatū mō ngā Iwi o te Moana-nui-ā-Kiwa)

Ministry for Primary Industries (Manatu Ahu Matua)

Ministry of Business Innovation & Employment
(Hīkina Whakatutuki)

Ministry of Education (Te Tāhuhu o te Mātauranga)

Ministry of Social Development
(Te Manatū Whakahiato Ora)

New Zealand Trade & Enterprise (Te Taurapa Tuhono)

Waka Kotahi New Zealand Transport Agency

Local government administration

Manawatu District Council

Manawatu Wanganui Regional Council

Palmerston North City Council

Justice

Ministry of Justice (Te Tāhū o te Ture)

Defence

New Zealand Defence Force
(Te Ope Kātua O Aotearoa)

Police services

NZ Police (Ngā Pirihimana o Aotearoa)

Fire protection and other emergency services

Fire and Emergency New Zealand (Whakaratonga Iwi)

Correctional and detention services

Department of Corrections (Ara Poutama Aotearoa)

Regulatory services

AsureQuality Ltd (Kaitiaki Kai)

Electoral Commission (Te Kaitiaki Take Kōwhiri)

WorkSafe New Zealand (Te Kete Maruiti)

Central government administration has been an important source of employment growth in Palmerston North.

There were 1,712 employees in this subsector in 2021, increasing by 1,384 employees from 2000, an increase of 422%. Manawatū district had 12 employees in this subsector in 2021. A breakdown of employment by individual government institutions is not available. Table 2 shows a breakdown by employee counts by subsector within the Public administration and safety sector.

Further details on trends in the defence sector can be found in the **Defence sector profile**.

The largest source of government employment in the Public administration and safety sector is Defence, which had 3,970 employees in 2021 at Linton, Hokowhitu and Ohakea. Employee numbers increased by 1,600 between 2000 and 2021, an increase of 68%.

Table 2: Public administration and safety employment

Public Administration and Safety ANZSIC06	Manawatū region			New Zealand		
	Employee count	2000 - 2021 change		Employee count	2000 - 2021 change	
	2021			2021	Number	%
Central Government Administration	1,700	1,390	448%	48,400	26,900	125%
Local Government Administration	540	110	26%	24,800	11,400	85%
Justice	70	40	133%	4,500	2,350	109%
Defence	3,200	1,550	94%	13,400	400	3%
Police Services	380	150	65%	14,500	5,300	58%
Investigation and Security Services	410	310	310%	12,900	8,150	172%
Fire Protection and Other Emergency Services	70	-5	-7%	3,650	1,500	70%
Correctional and Detention Services	260	140	117%	10,200	5,900	137%
Other Public Order and Safety Services	55	52	1733%	2,550	2,160	554%
Regulatory Services	140	-170	-55%	7,100	2,100	42%
Public Administration and Safety	6,800	3,550	109%	142,100	66,300	87%
Public Administration and Safety earnings (salaries, wages and self-employment income)	Earnings (\$m)	2000 - 2020 change		Earnings (\$m)	2000 - 2020 change	
	2020	(\$m)	%	2020	(\$m)	%
Total earnings	c	c	c	10,905	8,028	279%
Palmerston North	458	335	271%			

Manawatū district earnings data is confidential so we do not have earnings data for the Manawatū region

Source: Statistics New Zealand

Healthcare and social assistance

Healthcare and social assistance is the largest contributor to annual salaries and wages from salaries, wages and self-employment in the Manawatū region, but salaries and wages paid are lower than the Public administration and safety sector. In 2021 there were 8,500 employees in the sector, with 3,100 employed by government organisations. The number of government employees increased by 950 between 2011 and 2021, an increase of 44%. The largest provider of jobs in this sector is MidCentral DHB. Total employment in the sector increased by 18% between 2011 and 2021, with employment in non-profit organisations declining by 10% and employment in businesses increasing by 14%.

Salaries and wages paid in the year ended March 2020 were \$453 million, increasing by \$186 million, or 50%, from 2011. Government salaries and wages in 2020 were \$216 million, 48% of salaries and wages in the sector. The fastest growth in salaries and wages was in the business sector, increasing by 84% from 2021. Statistics New Zealand identified just two government organisations in the sector:

Hospitals (except psychiatric hospitals)

MidCentral District Health Board
(Te Pau Hauora o Ruahine o Taranua)

Other health care services not elsewhere classified

New Zealand Blood Service (Whakaorangia Tāngata)

While the government directly accounts for 36% of jobs in the sector, a high proportion of non-profit and business organisation jobs in the sector are partly or fully government funded. Further details on trends in the number of business units and employment in healthcare and social assistance sub-sectors can be found in the Healthcare and social assistance sector profile.





Education and training

There were 6,840 employees in the education sector in 2021, with 5,500 people employed by government organisations. The number of government employees increased by 300 between 2011 and 2021, an increase of 6%. The largest provider of jobs in this sector is Massey University. Total employment in the sector increased by 11% between 2011 and 2021, with employment in non-profit organisations increasing by 17% and employment in businesses increasing by 49%. Growth in early childhood education is the main contributor to growth in business employment

Salaries and wages paid in the year ended March 2020 were \$412 million, increasing by \$80 million, or 24%, from 2011. Government salaries and wages in 2020 were \$367 million, 89% of salaries and wages in the sector. The fastest growth in salaries and wages was in the business sector, an increase of 68% from 2011, while the government sector increased by 21%.

There has been a small decline in the number of government organisations in the region. Organisations listed in the 2011 profile, but not operating in the region in 2021 were:

Careers New Zealand

Specialist Education Services (now operating within the Ministry of Education)

Tai Poutini Polytechnic

Government organisations identified by Statistics New Zealand in the Education and training sector in 2021 were:

Preschool education

Ruahine Kindergarten Association Inc

Primary education (including state integrated schools)

Aokautere School

Apiti School

Ashhurst School

Awahou School

Awapuni School

Bainesse School

Bunnythorpe School

Cloverlea School

College Street Normal School

Colyton School

Feilding Intermediate School

Glen Oroua School

Halcombe School

Hiwinui School

Hokowhitu School

Kairanga School

Kimbolton School

Kiwitea School

Kopane School

Linton School
 Linton Camp School
 Longburn School
 Lytton Street School
 Mana Tamariki
 Manchester Street School
 Milson School
 Monrad Intermediate
 Mount Biggs School
 Newbury School
 North Street School
 Oroua Downs School
 Our Lady of Lourdes
 Palmerston North Adventist Christian School
 Palmerston North Central Normal School
 Palmerston North Intermediate Normal School
 Parkland School
 Riverdale School
 Rongotea School
 Roslyn School
 Ross Intermediate School
 Russell Street School
 Saint James School
 Saint Joseph's Primary School
 Sanson School
 St Marys School
 Te Kura O Takaro School
 Tangimoana School
 Taonui School
 Te Kura Kaupapa Māori O Manawatū

Te Kura o Wairau
 Terrace End School
 Turitea School
 Waituna West School
 West End School
 Whakarongo School
 Winchester School

Secondary education

Awatapu College
 Feilding Agricultural High School
 Freyberg High School
 Hato Paora
 Longburn Adventist College
 Manukura
 Palmerston North Boys High School
 Palmerston North Girls High School
 Queen Elizabeth College
 St Peters College

Combined primary and secondary education

Te Aho o Te Kura Pounamu
 Cornerstone Christian School

Higher education

Massey Global Limited
 Massey University
 Te Wananga O Aotearoa
 Universal College of Learning

Further details on trends in the number of business units and employment in education and training sub-sectors can be found in the Education and training sector profile.



Arts and recreation

In 2021 there were 978 employees in the sector, with 128 people employed by government organisations. The number of government employees increased by 35 between 2011 and 2021, an increase of 38%. The largest provider of jobs in this sector is the Department of Conservation, while the only other government organisation in the sector was Te Manawa. Total employment in the sector increased by 13% between 2011 and 2021, with employment in non-profit organisations increasing by 53% and employment in businesses remaining unchanged between 2011 and 2021.

Salaries and wages paid in the year ended March 2020 were \$30.5 million, increasing by \$10 million, or 52% from 2011. Government salaries and wages in 2020 were

\$6.7 million, 22% of salaries and wages in the sector. The fastest growth in salaries and wages was in the government sector, increasing by 91% from 2021.

Government organisations identified by Statistics New Zealand in 2021 were:

Museum operation

Te Manawa Museums Trust

Nature reserves and conservation parks operation

Department of Conservation (Te Papa Atawhai)



Other government organisations

In 2021 there were 37,960 employees in the remaining industry sectors, with 1,220 people employed by government organisations. The number of government employees declined by 125 between 2011 and 2021, or a decline of 9%. Total employment in the sector increased by 4,645 employees, or 14%, between 2011 and 2021, with employment in non-profit organisations declining by 3% and employment in businesses increasing by 15% between 2011 and 2021.

Salaries and wages paid in the year ended March 2020 were \$1,932 million, an increase of \$718 million, or 59%, from 2011. Government salaries and wages in 2020 were \$105 million, 5% of salaries and wages in the sector. The fastest growth in salaries and wages was in the business sector, an increase of 62% from 2021.

Government organisations identified by Statistics New Zealand in 2021 were:

Sheep-beef cattle farming

Landcorp Farming Ltd (Pāmu Farms of New Zealand)

Fossil fuel electricity generation

Genesis Energy Limited

Fossil fuel electricity generation

Genesis Energy Limited

Electrical services

ECL Group Limited

Rail freight transport

KiwiRail Limited (Te Kupenga Mahi)

Air and space transport

Air New Zealand Ltd (Araraurangi)

Postal services

New Zealand Post Ltd (Tukurau Aotearoa)

Airport operations and other air transport support services

Airways Corporation of NZ Ltd

Palmerston North Airport Ltd

Other telecommunications network operation

Kordia Limited

Banking

KiwiBank Limited

Financial asset investing

Massey Ventures Ltd

Other auxiliary finance and investment services

Public Trust

Residential property operators

Kainga Ora - Homes and Communities

Real estate services

Quotable Value Ltd

Scientific research services

Agresearch Ltd

GrasslaNZ Technology Limited

Landcare Research NZ Ltd (Manaaki Whenua)

New Zealand Institute for Plant & Food Research Ltd (Rangahau Ahumāra Kai)

Accounting services

Office of The Controller & Auditor General (Te Mana Arotake)

Management advice and related consulting services

Manawatū-Whanganui Lass Limited

Other professional, scientific and technical services not elsewhere classified

Meteorological Service of NZ Ltd (Te Ratonga Tiorangi)

Computer system design and related services

Musac Limited

Conclusions

The government is a significant contributor to economic growth in the Manawatū region, with 3,435 jobs created in the last ten years out of total workforce growth of 7,074 jobs. The 3,435 jobs contributed 49% of job growth in the region between 2000 and 2021. This was significantly higher than the government sector's share of 26.9% of jobs in the region in 2021. Average salaries and wages in the government sector are higher than for other sectors, resulting in the government sector contributing 31.4% of earnings in the region in the year to March 2020.

The estimate for government employment does not include jobs that receive government funding and where the employment relationship is with a non-profit or business organisation.

The expansion of the Ohakea Air force base in 2023 will provide further support for the region's economy and will grow further the government's contribution to the regional economy. Further growth is also expected at Linton Army Camp.

The Public administration and safety sector is the largest sector for government employment in the region, followed by the Education and training, and Healthcare and social assistance sectors. Public administration and safety and Healthcare and social assistance are expected to be important contributors to future economic growth in the region.



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CENTRAL ECONOMIC
DEVELOPMENT AGENCY

MANAWATU
DISTRICT COUNCIL

PALMY
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