

PALMY[®]
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NORTH
CITY

MANAWATŪ

**KĀHUA RĀNGAI TĀPOI
TE ROHE O MANAWATŪ**

**MANAWATŪ REGION
TOURISM SECTOR PROFILE**

HARATUA 2022
MAY 2022



Contents

Executive summary	4
Definitions and data sources	7
An emerging destination	12
Tourism expenditure	15
Domestic tourism	15
International tourism	16
Conferences and business events	17
Retail	19
Events	21
Student City	23
Visitor accommodation	24
Commercial accommodation	24
Private accommodation	24
Councils' role	25
Estimating the economic contribution of the tourism and visitor sector to the Manawatū region	26
Conclusions	27

Executive Summary

The purpose of these economic sector profiles for the Manawatū region (Palmerston North and Manawatū District) 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.

Introduction

The visitor economy plays a significant role in the Manawatū region and is essentially the shop window to the region – every visitor can be seen as a potential resident, or investor. When managed well, growth in visitor numbers significantly enhances the wellbeing of the people who live in our region. The region's greatest strength is in domestic tourism, which accounts for over 95% of electronic card spending by visitors to the region.

Workforce

The sector had an estimated workforce of 4,596 people in February 2021, or 6.9% of the total workforce in the region. The workforce estimates produced by Infometrics include employees and the self-employed. Total earnings (salaries, wages and self-employment income) in the sector were estimated to be \$251 million in the year ended March 2020, or 6.3% of total earnings in the region. Earnings increased by 17% between 2000 and 2020 compared with growth of 30% for all sectors in the region.

Economic impact

Estimates for the contribution of the sector to regional economic activity or gross domestic product (GDP), based on the tourism satellite account, suggest it had a direct economic contribution of \$282 million in 2021, contributing 4.1% of GDP in the region.

Visitors

The region is a major destination for visitors, with 4.4 million visitor days in 2021¹. Electronic card visitor spending in the region was \$309 million in the year ended December 2021. Visitor spending supports local jobs and adds diversity and vibrancy to our communities. Visitors help support the facilities and amenities that local people enjoy, including cafes and restaurants, parks and reserves, and interesting things to do.

The region has a catchment of more than 1.1 million people within a three-hour drive radius, while the City itself serves as a gateway for those arriving in the region by air. Our central location in the lower North Island places us strongly in the conference and business events market, and the secondary school sports events market

WORKFORCE



4,596

6.9% of total employment

EARNINGS



\$251M

6.3% of total earnings

GDP



\$282M

4.1% of total GDP

¹ Dataventures estimates for year to December 2021

Tourism is defined by the United Nations as the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited.

– both of which contribute significantly to our commercial accommodation nights each year. Our events sector and major venues are key players in the attraction of our visitor market, increasing spend, visitor numbers and stay within the region.

Prior to COVID-19, the share of international visitor spending in the region, while lower than the national average, contributed 16% of total visitor spend in the region. Being home to Massey University, Universal College of Learning (UCOL) and IPU² has contributed to our growing international spend, through international students and staff, and their visiting friends and family.

Tourism opportunities

Palmerston North City and Manawatū District, while not viewed as a traditional tourism destination, have been steadily growing over the past decade. Our diverse population in the City helps drive the valuable visiting friends and relatives (VFR) market. By 2018 17.9% of the region's population was born overseas.

Palmerston North offers a strong retail sector that services a wide region, drawing a high number of visitors from the surrounding Manawatū-Wanganui region and from Wellington, Taranaki, and the Hawke's Bay. The net gain for the City from visitor retail spending was \$258 million in the year to December 2021 (the difference between the value of visitor spending and spending by residents outside of the City). Visitor retail spending accounts for 37% of spending in the City Centre and 34% of total spending in the City.

Along with a vibrant urban City Centre, the Manawatū region offers bespoke tourism experiences such as hiking, rafting, horse trekking, retreats and lodges, glamping and farm stays, as well as mountain biking. These offerings provide an appealing proposition for visitors, with high end dining, brew bars, shopping and entertainment that is easily accessible. The City's arts and theatre scene provide additional drawcards, with the only professional theatre outside of the four main cities based

here alongside the Regent on Broadway, featuring both local and national touring productions and concerts.

Events

Events are important for bringing visitors to the region. The region has great infrastructure for hosting national and international sports events and has a well-recognised strength in hosting conferences and business events. These build on the region's central location in New Zealand and key transport hubs. Also important is the growing cultural diversity within the Palmerston North community, with more than 152 ethnic groups identified in the 2018 Census. This contributes depth and breadth of activities and events associated with this segment.

The full calendar of events sees retail, hospitality and accommodation spend spread throughout the year, particularly with Speedway, Manfeild and national and regional school sports events.

Education

Education is an important sector attracting visitors to the region. While secondary schools play a smaller role, our tertiary education providers attract learners from out of region, particularly block courses for extramural students and short-term professional development programmes. Students studying for more than one year are not counted as visitors, but are often visited by family and friends, especially for graduation ceremonies. Many students settle in the region upon completion of their studies and then move onto employment or start businesses.

Key for the education sector is retaining both domestic and international students once they have graduated. These students form part of the talent and skills workforce pipeline that the region needs to continue to prosper. While the current emphasis is on domestic student-graduate retention, the region will again be attracting international students when study visas become easier to access as COVID-19 restrictions are eased.

²IPU New Zealand is the trading name of Soshi Gakuen New Zealand Incorporated

Medical and health providers

MidCentral District Health Board and specialist medical and health providers play an important role in bringing domestic visitors to the City, particularly through the cancer treatment and support services offered at Palmerston North Hospital and surgical and specialist services at Crest Hospital.

Council's role

The visitor economy influences the type and quality of services that are required by the two councils (Palmerston North City and Manawatū District). This includes water/wastewater, solid waste, recycling, signage, roading, parking and amenities such as public toilets, and parks and recreational areas.

Public spaces and amenities play an important role in creating an environment that is welcoming to visitors. A recent example is the shared walk/cycle path that has been incorporated into the Te Ahu a Turanga Manawatū Tararua Highway project as a result of input from council and community groups. This has resulted in the opportunity to create a valuable new recreation asset for the wider region.

He Ara Kotahi shared pathway and pedestrian bridge across the Manawatū River is a great example of infrastructure that is both purposeful and aesthetically pleasing, as is the Central Energy Trust Wildbase Recovery centre. Both facilities also weave the area's Rangitāne o Manawatū culture and narrative into their design and structure.

While the area's councils play a role in marketing the region to visitors, the majority of this work is conducted through the Central Economic Development Agency (CEDA), which is funded to champion the region. CEDA's remit is to attract more residents, business, and talent, to the Manawatū while also sustainably growing the visitor economy.



Definitions and data sources

DEFINITIONS

Tourism

The United Nations³ defines tourism as “The activity of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business or any other purpose. Within this broad description are various purposes:

- **Holidays, leisure and recreation** - includes, for example, sightseeing, visiting natural or man-made sites, attending sporting or cultural events, practicing a sport (skiing, riding, golfing, playing tennis, diving, surfing, hiking, trekking, mountain climbing, etc.) as a non-professional activity; using beaches, swimming pools and any recreation and entertainment facilities, cruising, gambling, attending summer camps for youngsters, resting, honey-mooning, fine dining, visiting establishments specialized in well-being.
- **Visiting friends and relatives.** This category includes, for example, activities such as visiting relatives or friends; attending weddings, funerals or any other family event; short-term caring for the sick or elderly.
- **Education and training.** This category includes, for example, taking short-term courses paid either by the visitor or others; following particular programmes of study (formal or informal) or acquiring specific skills through formal courses, including paid study, language, professional or other special courses.
- **Health and medical care.** This category includes, for example, receiving services from hospitals, clinics, convalescent homes and, more generally, health and social institutions, visiting other specialized places to receive medical treatments. This category includes only short-term treatments.
- **Religion/pilgrimage.** This category includes, for example, attending religious meetings and events
- **Shopping.** This category includes, for example, purchasing consumer goods for own personal use or as gifts.
- **Transit.** This category consists of stopping at a place without any specific purpose other than being en route to another destination
- **Other.** This category includes, for example, volunteer work (not included elsewhere), investigative work and migration possibilities; undertaking any other temporary non-remunerated activities not included elsewhere
- **Business and professional.** This category includes the activities of the self-employed and employees as long as they do not correspond to an implicit or explicit employer employee relationship with a resident producer in the country or place visited. It also includes attending meetings, conferences or congresses, trade fairs and exhibitions; giving lectures, concerts, shows and plays; promoting, purchasing, selling or buying goods or services on behalf of non-resident producers (of the country or place visited); participating in scientific or academic research; programming tourism travel, contracting accommodation and transport services, working as guides or other tourism professionals for non-resident agencies (of the country or place visited); participating in professional sports activities; attending formal or informal on-the-job training courses.

Day trip

A day trip is defined as a trip made within one day, outside the area in which the traveller usually lives or works day to day, involving travel of at least 40km one way from home, or travel by aeroplane or ferry service.

Overnight trip

An overnight trip is defined as a trip made in New Zealand, but outside the area in which the respondent usually lives or works day-today, which involves a minimum of one night away from home.

³ United Nations (2010) International Recommendations for Tourism Statistics 2008.

Manawatū Regional Tourism Organisation (RTO)

The Manawatū region covers the area of Palmerston North City Council and Manawatū District Council. In 2021 the region had an estimated population of 123,500 people, a workforce of 66,776 people and a land area of 2,960 km². The Manawatū RTO function is delivered by the Central Economic Development Agency (CEDA).

A strong visitor component in neighbouring regions helps the region collectively compete more effectively with other parts of New Zealand, particularly in a COVID-19 world where domestic visitors are the focus for most regions across New Zealand.

In its role as an RTO, CEDA provides a holistic view of the visitor sector, and has the ability to collaborate across the broader tourism system for the greater good of the industry. RTOs have in-depth understanding of the industry, the challenges and opportunities, insights into existing and potential visitors, and the needs of marketing the destination. This enables the RTO to provide a hub to bring stakeholders and partners together.

The Manawatū Destination Management Plan (DMP) collectively sets the direction we want the visitor sector to go, and what we do and don't want as a region. This is to ensure we can improve and not detract from the lifestyle we have here in a way that makes our region better off not just economically, but also socially, culturally and environmentally. Key focus areas for the Manawatū DMP include:

- developing and growing the capability across the sector,
- growing capacity through identification of barriers and opportunities,
- developing product and experiences to enhance the visitor offering,
- engaging communities, integrating visitor needs and opportunities into short and long-term planning and investments,
- preserving and enhancing tangata whenua, social, cultural, environmental and heritage values, and
- growing collaboration between partners including iwi and mana whenua.

CEDA facilitates the region's largest marketing tool, the regional website ManawatuNZ.co.nz which highlights the various experiences on offer with accommodation and hospitality options. The website integrates with national platforms to pull listings for events and businesses, providing a one-stop-shop showcasing the region to potential and existing visitors, investors, students, and residents.

The RTO looks at the visitor economy as part of the wider economic development landscape, basing its work and marketing activity off data and insights, including customer segmentation, spend data and visitor flows. This ensures that growth is managed sustainably, focusing on shoulder seasons, and leveraging high value visitor markets through targeted marketing partnerships with Tourism New Zealand, media, and businesses.



DATA SOURCES

Visitor and local population estimates

Provider: **Tourism New Zealand**

Source: **Dataventures**

Links: tourismnz.dataventures.nz

The visitor and local population estimates are modelled using mobile phone data. It estimates the number of residents, domestic visitors and international visitors in an area at noon each day. It isn't able to provide a breakdown of day and overnight visitors, or visitor nights. In the year to December 2021 4.4 million visitor days were recorded in the region, with 4.3 million domestic visitor days and 56,508 international visitor days. International visitor days were low due to the closure of the New Zealand border in March 2020. There was a brief opening of the border to visitors from Australia in April 2021, but this was suspended in July 2021.

Tourism electronic card transactions (TECT)

Provider: **Ministry of Business Innovation and Employment (MBIE)**

Source: **MarketView – Paymark data**

Links: mbie.govt.nz

The TECT data replaced the previous monthly regional tourism estimates data (MRTE) which was found to have significant issues with the reliability and accuracy of information since the closure of New Zealand's border due to COVID-19. The TECT estimates tourism spending using Paymark (debit and credit cards) data (approximately 70% of total electronic card spend) and is scaled up to estimate total electronic card spending. The TECT estimates do not include any other form of spending such as cash, pre-purchases or online purchases. Therefore, the figures in the TECTs are smaller than those of the MRTEs, as they only represent part of the tourism spending. International card spending includes both New Zealanders returning to live in New Zealand and international visitors.

MarketView electronic card retail spending

Provider: **Verisk**

Source: **Paymark card data**

Links: [CEDA's Quarterly reports](#)

Retail spending estimates from Marketview (TransUnion) analyse consumer purchases made using electronic cards. The data is available daily by key retail sectors, retail precincts and a limited number of visitor origins.

TripTech

Provider: **TripTech**

Source: **Customer travel apps, such as CamperMate**

Links: **By request**

TripTech generates real time travel data via more than 100,000 weekly users of travel apps. There are 13 custom apps used in TripTech's suite, from car hire companies, accommodation providers and motorhome rental companies like Campermate, NZMCA, THL, and Kiwiparks, Maui, Britz, YHA etc. The data is published through to a regional dashboard which can be viewed by TA or RTO boundaries and shows who is in a region, where they're from, how long they stay in a region, entry and exit points, what time they enter and leave the region, the number of searches for services, and the hotspots and locations for overnight stays and day trippers.

Accommodation Data Programme (ADP)

Provider: **FreshInfo Ltd**

Source: **Accommodation providers' monthly survey**

Links: [Live dashboard](#)

The Accommodation Data Programme (ADP) provides data on short-term commercial accommodation activity at national, regional, and territorial authority levels. It estimates the guest nights, occupancy rates and other measures relating to the accommodation industry. Funded by MBIE and delivered by Fresh Info Ltd, the ADP began in June 2020. Currently, property types measured under the ADP include hotels, motels and apartments, backpackers, holiday parks and campgrounds, and lodges and boutique accommodation. The ADP replaced the Accommodation Survey, which was operated by Statistics NZ, and ended in November 2019 with the publication of September data. The ADP first launched with June 2020 data, meaning there is a gap in accommodation statistics, with none available for the period of December 2019 to May 2020. The ADP has a different methodology to the Statistic NZ survey, so they are not directly comparable.

Tourism Sentiment Index (TSI)

Provider: **Destination Think!**

Source: **500,000+ online sources and social platforms**

Links: [CEDA.nz and on request](#)

The tourism sentiment report provides a comprehensive analysis of what people are saying about Manawatū online. The score is a measure of our destination's ability to generate positive word of mouth about our tourism. It is an aggregate score that focuses solely on online conversations that reference or affect a potential traveller's perceptions of a destination. The report analyses data from over 500,000 sources including media sites, forums, websites, social media platforms and review platforms such as Facebook, Twitter, Instagram and TripAdvisor.

Domestic Growth Insight Tool (DGiT)

Provider: **Tourism New Zealand**

Source: **Colmar Brunton Research of 5000+ Kiwis**

Links: [Summary here and full tool here](#)

DGiT is an online tool to help tourism operators and Regional Tourism Organisations maximise the value they get from domestic tourism. Owned by Tourism New Zealand, with the latest research conducted in late 2020, DGiT is a survey of 5,901 Kiwis on their leisure travel habits. Its purpose is to understand the different types of domestic travellers, including their motivations for travel.

DGiT provides insights into Kiwi leisure travellers by understanding the holiday needs of the audience segments that make up the domestic leisure travel market. Available data includes preferred season of travel, what they like to do, where they like to stay and what life stage they are at. It also looks at how to reach these customers, and where they are from.

The research suggests there were 1,528,854 potential trips to the region on an annual basis, with 736,471 day trips and 792,383 overnight trips. This is smaller than the actual number of trips made to the region, since some people visit the region more than once during the year. The survey suggests 84% of visits to the region would be made by road, while 16% would come by air. Staying with friends or family accounted for the highest share (58%) of visitors.

Business Events Research Programme

Provider: **FreshInfo Ltd**

Source: **Event venues across NZ**

Links: [bedata.nz](#)

The programme collects information from business event venues, delegates and organisers to provide valuable information about the business events sector in New Zealand. Financial support from BEIA, Regional Tourism Organisations and MBIE allows free access to some of the information collected. This data provides benchmarking, giving an up-to-date understanding of our market share and competitor regions. The survey began in the September 2020 quarter.

Infometrics Quarterly Economic Monitor

Provider: **Infometrics NZ**

Source: **Various**

Links: [CEDA.nz](#)

Infometrics provides industry, regional, and general economic analysis and forecasts that assist organisations in making their planning, policy, and strategic decisions. The Quarterly Economic Monitor is a web-based framework which delivers a wide range of economic, labour market, and housing indicators, as well as commentary on our regional economy. The monitor is published seven weeks after the end of each quarter. Infometrics provides continuous analysis of data as it is released and commentary on trends and issues that impact the economic or industry outlook across Aotearoa, and in regions.

Statistics New Zealand – Tatauranga Aotearoa

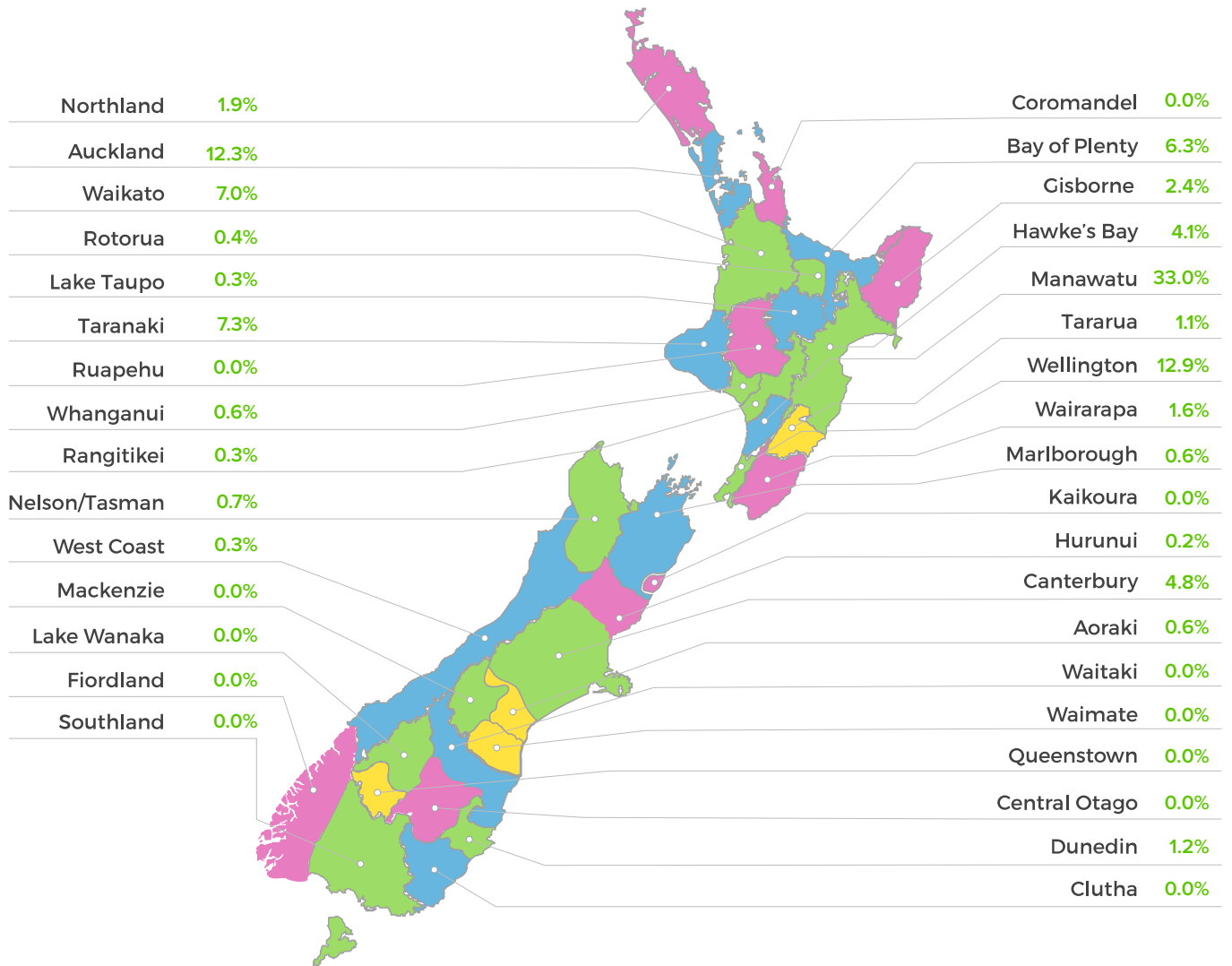
Provider: **Statistics NZ**

Source: **Various**

Links: [NZ.Stat](#), [Infoshare](#)

Statistics New Zealand is a government department and New Zealand's national statistical office. It publishes a wide range of economic data, including the quarterly Retail Trade Survey, annual Business Demography statistics (employee counts and business units), quarterly and annual Linked Employer-Employee Earnings Data (LEED), monthly International Travel and Migration data and annual Tourism Satellite Account.

Where visitors to the Manawātū region come from



An emerging destination

Key strengths of the Manawatū region are its central position in New Zealand, and its proximity to the Wellington region, which has a population of 547,000. In recent years the region has placed more emphasis on strengthening and developing new attractions and building on existing resources. CEDA's Manawatū Destination Management Plan outlines opportunities to further develop iconic locations in the region, putting Manawatū firmly on the map for domestic visitors.

These opportunities build on existing resources such as the New Zealand Rugby Museum, the Feilding sale yards and Coach House Museum, Arapuke Mountain Bike Park, Manfeild Park and country lodges in the District such as Makoura Lodge and Hiwinui Estate. The Country Road programme comprises scenic touring routes through the region that support rural communities and boutique businesses by connecting travellers with unique and hospitable experiences.

The visitor offering in Manawatū includes not only things traditionally considered as 'tourist attractions' but also hospitality, retail, health services, education and training, parks and reserves, and our City and town centres. Enhancing the attractiveness of these areas is just as important as creating new or better tourist attractions or products, and benefits both visitors and residents.

The region's central position also makes it an ideal base for visits to other places in the central and lower North Island. Visitor destinations such as Te Papa in Wellington, the Ruapehu ski fields, the Hawkes Bay wine trail and the Whanganui River are all within one to two hours' drive from the region. Other attractions close to the boundary of the Manawatū region include Off The Loop in Horowhenua, Tui Headquarters in Mangatainoka and the Pūkaha National Wildlife Centre in the Wairarapa.

ENHANCING THE VISITOR OFFERING

Investment in high-quality visitor attractions, including accommodation and venues, is required to increase the number of visitors to the Manawatū. The region holds significant assets that offer unrealised potential for the visitor sector, such as Te Āpiti Manawatū Gorge, the Manawatū River, Central Energy Trust Wildbase Recovery, Arapuke Forest Park, northern Manawatū native bush, and the Ruahine and Tararua Ranges. These provide significant opportunities to provide visitors and residents with a unique insight into our rich cultural heritage and environment and meet the aspirations of sustainable tourism for our City and region.

Looking forward there is a strong need to focus on the development of attractions that are sufficiently compelling to draw people to Manawatū for day and overnight stays. The Te Āpiti visitor precinct described below is an example of a potential new major attraction for the region.



The Country Road

In 2010, The Country Road initiative was created for the Manawatū region as a way of connecting our bespoke and boutique activities and attractions together. This has been achieved by creating a suite of interesting scenic routes to provide visitors and locals alike with curated self-drive experiences that are 'off the beaten track'. The Country Road now comprises an official Scenic Route and is recognized as a Heartland Ride as part of Ngā Haerenga New Zealand Cycle Trail. The curated series of scenic routes take visitors on a journey through dramatic landscapes, rural villages and towns and connects them to hidden gems including swimming holes, country pubs, lush gardens and camping spots. The core of The Country Road proposition is that the value of the visitor experience is equal to the value experienced by the host. This has seen rural communities establish motorhome stay-over destinations and new farm stays, and country pubs rejuvenated.

Te Apiti Manawatū Gorge

A recent feasibility study and business case commissioned by CEDA found there is a significant opportunity to transform Te Āpiti Manawatū Gorge into a high-quality tourism precinct. The report suggested a range of cultural, recreational, and educational activities that would be a good fit for Te Āpiti based on feedback from local stakeholders and tourism industry experts. These include the potential reactivation of segments of the old Gorge Road to form part of an iconic walking and cycle trail that includes one or more river crossings. Given the large investment in the roading infrastructure in and around Te Āpiti with the building of Te Ahu a Turanga Manawatū Tararua Highway, and a new events venue under development, there is significant opportunity for Te Āpiti to become an iconic destination for Manawatū and the lower North Island.

Native Wildlife

At the heart of Victoria Esplanade lies New Zealand's newest native wildlife recovery centre, Central Energy Trust Wildbase Recovery. Here, visitors and locals can connect with nature and learn more about Aotearoa's native wildlife with a tour of this educational facility. They can walk through aviaries and view the resident animals and birds rehabilitating after treatment at Massey University's Wildbase Hospital. This facility connects to Urban Eels, a newly developed safe haven for tuna (eels). It has a purpose-built platform where you can feed the eels and learn why they are so important to Māori and the health of our waterways.

Outdoor recreation

Arapuke Forest Park is a premiere North Island mountain biking destination less than 25-minutes' drive from the city centre. With more than 30km of trails, jumps and tracks from grade two to six, and a shuttle operator to support the popular downhill tracks, the Park provides a significant weekend destination for visitors from the lower North Island. The surrounding Kahuterawa Valley provides iconic walking trails, and the nearby Ruahine Ranges offer a plethora of walks, hikes and Department of Conservation huts, including the well-known Rangiwahia Hut Track.

Arts and Culture

At the heart of Palmerston North lies a vibrant creative and cultural precinct which is home to Te Manawa, a museum which brings art, science and heritage together. This is surrounded by art galleries, street art, a sculpture trail, and artist studios dotted through the central city.

A diverse performing arts scene includes the historic and iconic Regent on Broadway, and Centrepoin Theatre, which is the only professional theatre in New Zealand to operate outside the four main centres. The Globe Theatre, Abbey Musical Theatre, The Stomach and The Dark Room prove a rich tapestry of creative culture and diversity in the heart of the city.





Visitor Information

Palmy i-SITE visitor information centre in Te Marae o Hine – The Square, and the Feilding Information Centre, are both hubs for visitor information and promote a range of quality operators and touring options, along with travel booking services.

Manawatū Destination Management Plan

Destination management reflects a shift away from a sole focus on destination marketing to a more holistic and collaborative approach to managing visitor growth. CEDA, the Regional Tourism Organisation, set out to develop a regional Destination Management Plan in late 2019, looking at the management of all aspects of a destination that contribute to a visitor's experience, including the perspectives, needs and expectations of visitors, Māori, mana whenua, tourism industry, businesses, residents and central and local government. The Manawatū DMP was developed to collectively set the direction for the region's visitor sector while ensuring that we can improve and not detract from the lifestyle we have here. That makes our region not only better off economically, but also socially, culturally, and environmentally.

To develop the Destination Management Plan, CEDA needed to better understand where we sat in the national landscape, our own strengths and what the opportunities were. This included:

- An extensive product audit of the region to identify barriers, gaps and opportunities. This work provided a vital foundation for the DMP.
- An audit and alignment of national and local plans and strategies.
- Data and insights - Qrious, FreshInfo traveller monitor,

conference, Tourism Sentiment Index, MBIE electronic card tourism expenditure estimates, commercial accommodation, all analysed and brought together.

- Workshops with Nga Manu Taiko, and Rangitāne o Manawatū.
- Stakeholders' interviews were conducted with key partners, including Sport Manawatū, Air New Zealand, UCOL, Massey University, Palmerston North Airport, Feilding Promotions, Manawatū Chamber of Commerce, and the Department of Conservation.
- Community workshops hosted in Feilding, Palmy and Apiti attended by community members, organisations, businesses owners, council staff and elected members. We took groups through a series of questions to help us understand where opportunities and challenges lay, and what success would look like.

The Manawatū DMP's core objective is to grow visitor activity and value for the benefit of our communities. The framework to achieve this is set around four benefits which are:

- Partnerships - strengthened partnerships with tangata whenua, and enhanced outcomes for tangata whenua.
- Visitor growth - building of the Manawatū brand and reputation for an enhanced visitor offering.
- Economic – increased ability to attract and retain talent, retention and expansion of existing businesses and investors, attraction of new investment and creation of further opportunities.
- Social and cultural – increased employment opportunities, enhanced liveability and regional pride and growth in cultural awareness, respect, and pride.

With the arrival of the COVID-19 virus in early 2020, the finalisation of the DMP was put on hold and focus placed on its implementation, where relevant to do so, such as projects and activities to support the visitor sector through the impacts of COVID-19. This meant a working on 'Year Zero' foundational actions including the establishment of a Māori Tourism Working Group, Te Apiti Tourism Potential project, and trade relationships established. A draft capability framework for tourism was developed, engaging through PNCC, MDC and Feilding Promotions to build advocacy for the region along with a cohesive and compelling regional identity.

With our changing environment due to COVID-19, a full refresh of the DMP will begin over the 2021-22 year, with re-engagement, priorities reviewed, and catalyst projects identified for the region.

Tourism expenditure

DOMESTIC TOURISM

Domestic tourism generated 92% of the \$11.4 billion of total New Zealand electronic card tourism expenditure in the year to December 2021, with domestic expenditure totalling \$10.5 billion and international visitors' spending \$0.9 billion. The domestic tourism share was lower in the year ended December 2019 when domestic tourism spending was \$9.6 billion and international tourism \$3.3 billion. The national focus in recent years has been on the international visitor market, where expenditure increased by 66% between March 2009 and March 2020, leading to the risk of overlooking the importance of domestic tourism, which grew by 53% over the same time.

The central position of the Manawatū region and lack of international flights means that domestic tourism generates a much greater share of tourism spending in the region, accounting for 95% of total visitor spending in the region in the year to December 2021. Total tourism spending in the region was \$309 million, with \$293 million from domestic visitors and \$16 million from international visitors.

The region's role as a significant destination for domestic day visits and overnight visitors has been confirmed by Dataventures data. There were over 4.4 million visitor days in the region in 2021. Average daily domestic visitors to the region in 2021 were 11,971 (98.7% of total visitors) and average daily international visitors were 156 people. The closure of New Zealand's border due to the arrival of COVID-19 in early 2020 had a significant impact on international visitor numbers, which averaged 2,426 people a day in January and February 2020.

Tourism expenditure in the region is concentrated in Palmerston North due to its high share of commercial accommodation and hospitality venues in the region and assets, such as the Palmerston North City Council's Conference and Function Centre, Central Energy Trust Arena, sports facilities and Awapuni Racing and Function Centre along with Manfeild in Feilding. In the year ended December 2021 total visitor spending in Palmerston North was \$275 million, while annual spending in Manawatū District was \$34 million.

The Manawatū region experienced a 7% increase in total visitor spending between 2019 and 2021, while tourism spending in New Zealand declined by 11.6%. This growth was mainly due to Manawatū smaller international visitor share, but the region also experienced the smallest decline in international card spending during this period compared with other regions. The total decline in international card spending for all RTO regions between 2019 and 2021 was 72%, while the Manawatū region experienced just a 13% decline. We do not have any information on the international card holders visiting the region, but there are two possible factors contributing to the smaller decline in the Manawatū:

1. strong economic growth in the region may be attracting more returning New Zealanders to the region for employment, and
2. the region has typically had a high visiting family and friends share. The impact of the border closure and high COVID-19 infection rates in other countries may have resulted in visitors choosing to stay with family in the region rather than returning to their home country.

Figure 1 shows the extent of change in electronic card spending between 2019 and 2021. The average change for New Zealand overall was a decline of 12%, whereas the change for Manawatū was an increase of 9%.

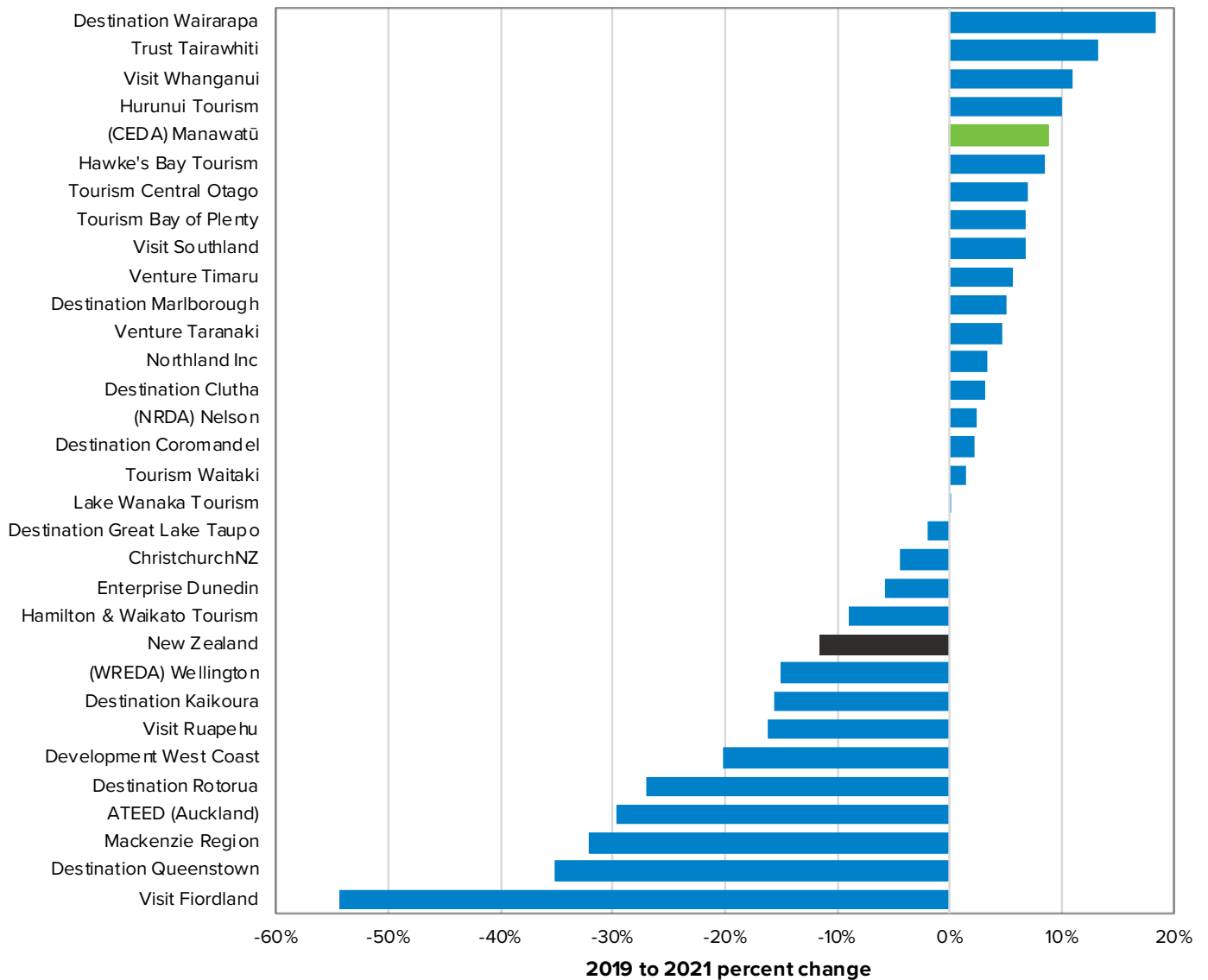


INTERNATIONAL VISITORS

International tourism accounts for a smaller share of tourism in the Manawātū region compared with the average for New Zealand but it is still an important contributor to economic activity. Estimated electronic card expenditure by international visitors to the region was \$16 million, 5.2% of total visitor spending in the region and 1.6% of total international visitor spending in New Zealand.



Figure 1: 2019 – 2021 change in electronic card tourism spending (years ended December)



Source: MBIE



Conferences and business events

Palmerston North is located in the centre of the Lower North Island, with 1.1 million people living within a three-hour drive of the city. It is easily accessed by air from all major New Zealand centres, and has a mature and well-structured conference and meetings industry with events for up to 2,500 delegates. Its central location and facilities have contributed to the region having a higher portion of national conference and business activity than its overall share of national tourism spending.

The Business Events Data Programme measures business event activity in New Zealand. It focusses on meetings, incentives, conferences, and exhibition events (MICE) attended by at least 50 people. Public and social gatherings like weddings, dance parties, church services, concerts, sports events, and consumer events are not included in the statistics. The data reported is for the Manawatū-Whanganui region, but Palmerston North accounts for a large share of the events activity recorded.

Business events are important to the region as the average daily expenditure by conference and event delegates is significantly higher than for other visitors to the region. Average spend per delegate in the Manawatū-Whanganui region was \$528 in the year ended December 2021, while their average daily spend was \$344. Annual spending attributed to conferences and business events was \$19 million in the year to December 2021. Conference and business events also play an important role in bringing visitors into the region who may not have normally chosen to travel here for a holiday, and are an important source of income for the commercial accommodation sector.

Event and delegate numbers were impacted significantly by COVID-19 restrictions during the December 2021 quarter, with national delegate days declining from 431,786 in the December 2020 quarter to 80,387 in the December 2021 quarter. Event numbers declined from 2,719 in the December 2020 quarter to 688 in the December 2021 quarter.

In the year to December 2021 there were:

- 313 events recorded in the survey for the Manawatū-Whanganui region, accounting for 4.0% of national events.
- 44,413 delegates at these events in the region, or 5.8% of national delegates, and
- 59,809 delegate days, or 5.4% of national delegate days.

The Manawatū region was the sixth largest for delegate days in the year ended December 2021. Wellington accounted for 28% of delegate days, Auckland 17%, Hamilton and Waikato 8%, Christchurch 8%, Rotorua 6% and Manawatū-Whanganui 5%.

A major area of strength for the region is in trade show

and exhibition activity. In 2021, 5,855 delegate days were recorded in this category; 16% of total delegate days nationally and 10% of total delegate days. In contrast, trade shows and exhibitions accounted for just 3.2% of national delegate days. Examples of trade shows and exhibitions in the Manawatū region include the Central North Island Field Days, New Zealand Beef Expo and Hunting and Fishing Expo. These events reflect strong links between the region's key sectors (for example, agriculture, education and research) and the region's central position in New Zealand.

Delegates attending events in the Manawatū region during the year to December 2021 were mostly from New Zealand, with just 745 delegate days recorded for visitors from overseas compared with 38,070 delegate days from within the region and 20,994 delegate days from people attending from other regions. The region had a higher share of visitors from outside of the region, accounting for 8.2% of domestic delegate days and 7% of international delegate days.

The region had a higher proportion of delegate days for education events (8.8% of the national total) and corporate events (7.3%), while there were lower shares for government events (4.6%) and association events (5.5%). There were a greater proportion of national single-day event delegate days (6.3%) and a lower proportion of multi-day event delegate days (4.4%).

There are five main market segments in the business events industry:

1. Association hosted events – this market covers a wide range of event types and categories: medical meetings, scientific, other academic, trade organisations, professional bodies and social groupings. They provide the largest share of business for convention centres.
2. Exhibitions – covering both trade and public events. Stand-alone exhibitions are often developed and owned by entrepreneurial exhibition organisers, a small number of which are global companies. Exhibitions also form an important component of many association conferences and provide a revenue source and commercial boost to the event.
3. Corporate meetings – these tend to be smaller than association conferences. The meetings can take many forms: annual corporate conferences, retreats, training seminars, AGMs and product launches. The strength of this sector tends to reflect the strength of the economy.
4. Corporate incentive travel – these are used to reward top clients, distributors and/or staff such as salespeople, and can range from very small groups or couples to many thousands of people at one time. This segment often combines a one to two-day meeting with leisure activities.
5. Government meetings – these meetings are often held on a regional rotation, such as APEC, or in response to a political, economic or humanitarian crisis.



Retail

Overview

The retail sector is an important part of Manawatū's regional economy, with a higher share of regional GDP (7.5% in 2021) than the national average of 7.2%. It is a major contributor to employment and earnings. The sector attracts a significant number of visitors, so is an important component of the tourism sector, and an important source of part-time and holiday employment for tertiary students. Only part of the retail sector is counted when preparing the tourism sector employment and GDP estimates, because purchases by residents are excluded.

Jobs

The retail sector workforce was 9,690 in the Manawatū region in March 2021, or 14.5% of total jobs in the region. Annual earnings (salaries, wages and self-employed) were \$371 million in the year to March 2020, or 9.4% of total earnings in the region. The workforce in the sector increased by 1,532 people between March 2000 and March 2021, an increase of 19%. This was weaker than the overall job growth in the region of 32%. The employment growth in the retail sector was weaker than national average, which grew by 41% between 2000 and 2021.

The retail sector is an important source of part-time and holiday employment for students attending tertiary education facilities in the region, reflecting the important inter-linkages which occur between sectors. Data from the 2018 Census shows the 15 – 24 age group accounted for 33% of employment in the regional retail sector, while

this age group accounted for 16% of overall employment in the region. In 2018, 38% of the retail workforce worked part-time, compared with an average of 23% for all sectors in the region.

Earnings

The retail sector's share of total earnings and GDP in the region is smaller than its share of job numbers because of the high proportion of part-time employment in the sector and the young average age of employees. It is still a significant contributor to total earnings, with a 9.4% share in the year to March 2021. The earnings data is based on salaries and wages paid and annual income of the self-employed in the year to March 2020 (the latest year for which data is available). While growth in the number of jobs in the sector was weaker than overall job growth in the region over the period from 2000 to 2021, the gap between earnings growth was smaller. Retail sector earnings increased by 141% between 2000 and 2020 while total earnings growth across all sectors was 159%.

Retail sales

Manawatū retailers enjoy strong loyalty from residents (the proportion of local cardholder's spending that goes to local merchants), who spent 82.7% of their total retail spending (in-store only⁴) at Manawatū retailers in the year ended December 2021. This support illustrates the health of the retail sector in the region. Resident's

Table 1: Manawatū region retail inflow and outflow

Years ended	Dec 2019	Dec 2020	Dec 2021	Annual change	
	\$ m	\$ m	\$ m	\$ m	%
Resident spending locally	1,115	1,131	1,220	89	7.9%
Resident spending outside region	238	225	255	30	13.5%
Total resident spending	1,353	1,356	1,475	119	8.8%
Visitor spending	343	325	377	52	16.0%
Net gain in spending	105	100	121	22	21.7%
Total spending in region	1,458	1,455	1,596	141	9.7%
Visitor % share	23.5%	22.3%	23.6%		
Resident loyalty	82.4%	83.4%	82.7%		

Source: Verisk/Marketview

⁴ Online retail spending is excluded from the loyalty score because Marketview is no longer able to provide data on online spending

spending at Manawatū region retailers was \$1,220 million in the year ended December 2021, increasing by 7.9% from the previous year. Manawatū region resident spending outside of the region (excluding online spending) in the year to December 2021 was \$255 million, an increase of 13.5% from the previous year, while visitor spending in the region was \$377 million, an increase of 16%. This resulted in a net gain in visitor spending for the region of \$121 million.

The increase in visitor spending is related to the impact of COVID-19 restrictions on overseas travel, resulting in New Zealanders spending more money on domestic tourism and less on international travel. New Zealand's total domestic tourism spend in the year ended December 2021 was \$888 million higher than two years prior, while international card spending in New Zealand during the same period declined by \$2,383 million.

Visitor expenditure

MBIE tourism data shows the Manawatū region attracted \$263 million in electronic card retail spending by visitors in the year to December 2021, accounting for 16% of total retail turnover. The tourism electronic card transaction data provided by Verisk/Marketview excludes people who regularly travel to the region for work or education. However, the total visitor spending shown in Table 2 is higher than the spending identified in Table 1, which includes all non-resident spending in the region, including commuters, but excludes the flow of spending between Palmerston North and Manawatū District.

The highest share of visitor retail spending came from residents in the lower North Island, accounting for 72% of domestic visitor retail spending in the City (Manawatū-Whanganui, Wellington, Hawkes Bay and Taranaki regions). The value of spending from Auckland declined by 7.7% between December 2019 and December 2021, while total domestic tourism spending increased 8.3%. The loss of Jetstar flights between Auckland and Palmerston North from November 2019 is likely a contributing factor to the decline from Auckland along with COVID-19 travel restrictions for Aucklanders from August to December 2021.

International electronic card spending in the region was \$15.8 million in the year to December 2021, increasing by 8.1% from the previous year. Total international card spending for New Zealand declined by 44%. COVID-19 restrictions on the number of people allowed to travel to New Zealand since March 2020 were responsible for the decline in spending. International card spending data is based on transactions in New Zealand using overseas

bank and credit cards. Holders of these cards can be visitors, or they may be people living and working in New Zealand on short-term visas. The increase in the number of New Zealanders returning from overseas also has an impact on the data while they use an overseas card in New Zealand.

Table 2: Annual domestic visitor retail spending in the Manawatū region by region of origin

Year ended December 2021	\$ million	% share
Manawatū-Whanganui	110	42%
Wellington	49	19%
Auckland	24	9%
Hawke's Bay	17	7%
Waikato	14	5%
Taranaki	13	5%
Bay of Plenty	10	4%
Gisborne	4	1%
Northland	3	1%
North Island	246	93%
Canterbury	9	3%
Otago	3	1%
Marlborough	1	0%
Tasman	1	0%
Nelson	1	0%
Southland	1	0%
West Coast	0	0%
South Island	16	6%
Undefined	1	0%
Total	263	100%

Source: MBIE electronic card regional retail spending tourism estimates (excludes cultural, recreation, and gambling services, passenger transport, and other tourism products)



Events

Most regions are active in attracting events but a strength for the Manawatū region is its location in the centre of New Zealand. The region is at the hub of major highways to the west and east of the North Island while State Highway 1 also passes through. The region is a significant hub for inter-regional bus services, an increasing mode of transport for visitors due to increased fuel price, and reduced fare competition from air services to smaller domestic destinations. Palmerston North Airport is a significant hub for air connections to and from the South Island, with a high volume of daily flights.

There has been considerable debate over the extent of the economic benefits claimed through the hosting of events which attract visitors from outside the region. Nevertheless, there is acceptance that a range of benefits are likely to occur. The most obvious is the increase in retail and hospitality spending by visitors, but other benefits are also recognised. These are more difficult to measure, but may include improved perceptions of the region through the positive experiences of event visitors.

These benefits include:

1. Media impacts

Favourable publicity received by the region during an event can count as a benefit from holding the event. Estimates of the impact of additional media coverage are often based on the cost of advertising dollars saved, along with the projected audience reach, but calculating these is not straightforward.

2. Long-term promotional impacts

Publicity created from an event may generate increased awareness of the region and a favourable image to potential visitors. A conference visitor may decide to visit the region again for a holiday if their experience in the region while is favourable.

3. Fiscal impacts

The narrow revenue base for local authorities in New Zealand means the fiscal impact from an event held in the City is likely to be very small. The main impact at the City level is additional parking revenue generated.

4. Community benefits

Facilities developed for sports events will continue to be available for use well after the event has been held, so the costs involved its development can be spread

over a longer-time frame. A key issue will be how often the facility is used. For example, an all-weather football turf may be able to be used 7 days a week and therefore reduce the number of days local football games are cancelled due to poor weather. The Sports facility plan will review the work undertaken on the current facilities. This is to ensure we are meeting the demand of our community. Local skill development may also be enhanced by increased levels of national and international competition. Conferences, business and education meetings may also provide education for local residents, while events provide a vibrant lifestyle benefit for our communities, providing things to see and do.

5. Civic pride

Playing host to a special event may contribute to a sense of pride in the region. Home hosting opportunities offer additional income for residents as well as increased social and cross-cultural interactions.

6. Associated events

These include, for example, sports clinics with visiting sport players and other events coordinated around the main event.

7. Social impact costs

These may include all the usual consequences of more people being in the city, such as increases in litter, noise and property damage.

8. Induced development expenditure

Conferences held in the region may add to demand for the development of new hotels, restaurants and cafes and additional shopping facilities, and also support the expansion or retention of local transport services.

SPORTS EVENTS

The Manawatū region has become a major centre for national sports events, particularly at secondary school level. Factors contributing to a growth in the number of these events are:

- the region's central location in New Zealand,
- the availability of a wide range of sports facilities in the City, at Manfeild Park and other specialist facilities in the region,
- the ease of travel to sports venues, and
- a good range of reasonably priced commercial accommodation
- the volume of court availability
- Modern and high quality sporting facility

During the year to June 2021 there were 27 major sports events supported by Sport Manawatū, estimated to have resulted in an economic impact of \$7.9 million. Local event spending by residents is not included in economic impact estimates for an event because the spending is not new to the region but transferred from one area of consumer purchases to another. One of the benefits of the sports events held in the region is the spread of events during the year.

A small number of large events may provide less economic benefit for the region than a greater number of small and medium sized events held throughout the year. This is because the commercial accommodation sector is limited in how many people it can accommodate. In December 2021 the Manawatū region had 1,502 'stay units', such as rooms in motels, hotels, backpackers and cabins and sites for tents, caravans and camper vans in holiday parks. This limits the opportunity for very large events to be hosted without displacing other regular visitors. The current spread of sporting events across the year helps to lift hotel and motel occupancy, adding to the overall profitability of these businesses and supporting their recruitment of additional permanent staff.

Participatory events, such as the Secondary Sports Tournament or other sports tournaments, may produce more benefits for a region than other spectator events. Participatory events primarily use existing facilities and do not cost as much to bid for as high-profile spectator events. Most of the visitors for such events come to participate rather than watch, and frequently bring friends and family, or support crews. The event often becomes part of an extended holiday in the host region.



⁵ T. Mules (1998). Taxpayer subsidies for major sporting events. Sport Management Review, 1, 25-43

Student City

Palmerston North is home to Massey University, IPU and UCOL. International students are an important part of their organisational mix and add cultural richness to the community. Education is an important component to consider in attracting visitors to the region. While secondary schools play a smaller role in attracting visitors, our tertiary education providers attract learners from outside the region, along with lecturers and other educators. Up until the beginning of 2020, the Manawatū region attracted both international and domestic students, especially to the tertiary providers.

In our COVID-19 world, the number of international students has fallen and, until such time as the study visa settings change, these numbers will continue to fall. While students studying for more than one year are not counted as visitors, they are often visited by family and friends, especially for graduation ceremonies. Some settle in the region upon completion of their studies and move onto employment or start businesses. It's important the education sector considers at how we can retain both domestic and international students once they have graduated. These students form part of the talent and skills workforce pipeline the region needs to prosper. While the current emphasis by CEDA is on domestic student-graduate retention, we know we need to further position ourselves as a study destination for international students when student visas become easier to access.

The export education sector has been expanding in New Zealand for many years but came to greater prominence in the late 1990s and early 2000s when there was significant growth in the number of international students coming to New Zealand. International tertiary student

numbers at Massey University, UCOL and IPU declined from 2,167 in 2014 to 1,386 by 2021, with a significant decline between 2020 and 2021, due to the closed border to non-residents. A small number of post-graduate students have been allowed in to complete their studies.

Massey University also attracts short-term visitors through a wide range of short courses that draw on the quality teaching and research expertise of academic and professional staff. These include:

- Professional development courses
- Continuing education courses
- University preparation courses
- Joint degree programmes with overseas university

International student numbers in schools increased significantly between 2010 and 2018, when student numbers peaked at 275. This has resulted in the region's share of national student numbers increasing from 1.3% in 2010 to 2.2% in 2018. Student numbers declined to 125 in July 2021 due to the border closure.



Visitor accommodation

COMMERCIAL ACCOMMODATION

The commercial accommodation sector accounted for 421,500 guest nights in the Manawatū for the year to December 2021, with motels accounting for 65% of total guest nights. Data for hotels, backpackers, holiday parks and lodges is confidential due to the small number of businesses in the region operating in those sectors.

Average occupancy rates in commercial accommodation for the Manawatū region are higher than the national average, and the highest for all RTO regions, but the lack of data prior to June 2020 means it is not possible to identify if this is due to the impact of COVID-19 on international visitor numbers in other regions. An influence on the high occupancy rate is the high proportion of visitor nights in motel accommodation and the low proportion of visitor nights in backpacker and holiday park accommodation, which both have low occupancy rates. National data for the year to December 2021 shows motels have a 33.4% share of visitor nights.

The region has little seasonal variation in guest nights. Guest nights data for 2020 and 2021 has been impacted by COVID-19 restrictions on travel and the cancellation of events, including conferences and business events.

PRIVATE ACCOMMODATION

The purchase of APR Private Homes Monitor data for visitors and visitor nights in private homes ended in July 2016 as more comprehensive visitor data became available. However, a useful aspect of the APR survey was the insights it gave on family and relatives travelling into the region and their number of overnight stays in private homes. In the year ended July 2016 the survey suggested that 65% of visitors to the region stayed in private homes and 80% of annual visitor nights were in private homes. The average overnight stay in private homes was 3.1 nights for domestic visitors and 6.2 days for international visitors, giving an average of 3.6 nights. The commercial accommodation overnight stay data for the year to December 2021 shows an average stay of 2.1 nights.

Table 3: Number of active accommodation establishments and annual occupancy rates for year ended December 2021

Establishment type	Manawatū region		New Zealand	
	Number of active establishments	Occupancy rate	Number of active establishments	Occupancy rate
Backpackers	1	confidential	214	31.9%
Holiday parks & campgrounds	3	confidential	416	22.7%
Hotels	4	confidential	297	46.1%
Lodges & boutique accommodation	4	36.7%	324	35.6%
Motels & apartments (>20)	10	62.8%	319	52.6%
Motels & apartments (6-20)	27	62.0%	955	55.6%
Total	49	52.1%	2,524	36.5%

Note: the lodges and boutique accommodation occupancy rate for the region is only for the December quarter.

Source: Verisk/Marketview

Councils' role

The visitor economy is a key sector of strength for the City and region influencing the type and quantity of services required by the two Councils in the region. These services include water/wastewater, solid waste, recycling, roading, signage, parking and amenities such as public toilets, and parks and recreational areas. Additional visitors to the region increase demand for these services so an understanding of visitor's behaviour and numbers are required for Councils to adequately plan for these services. Enhancements to infrastructure and development of attractions to make the Manawatū a more desirable place to visit, while also making it a more desirable place to live, study, invest, and work.

Public spaces and amenities play an important role in creating a welcoming environment for visitors. All public facilities should be designed to be visitor-friendly and add to the social and cultural fabric of the region. A recent example is the shared walk/cycle path that has been incorporated into the Te Ahu a Turanga Manawatū Tararua Highway project as a result of input from council and community groups. This advocacy resulted in the opportunity to create a valuable new recreation asset for the wider region.

He Ara Kotahi is an exemplar of infrastructure that is purposeful and aesthetically pleasing, incorporating Rangitāne culture and narrative. The 'instagrammable' nature of this and other well designed facilities, like

Central Energy Trust Wildbase Recovery centre, can act to showcase the City. Both residents and visitors will be better served if a visitor lens is consistently applied to district and regional planning processes.

The Councils play a role in the marketing of the region to visitors as a desirable location to work and invest. This work is mainly conducted through the Central Economic Development Agency (CEDA), who are funded to market the region, attract more residents, business, investment, and talent, and sustainably grow the visitor economy. However, Palmerston North City Council manages the marketing of the city, with a focus on attracting visitors to enjoy our incredible natural advantages.



Estimating the economic contribution of the tourism and visitor sector to the Manawatū region

The visitor sector had an estimated workforce of 4,596 people in February 2021, or 6.9% of the total workforce in the region. The workforce estimates produced by Infometrics include employees and the self-employed. The tourism workforce increased by 17% between 2000 and 2021 - an increase of 673 jobs.

Total earnings (salaries, wages and self-employment income) in the sector were estimated to be \$249 million in the year ended March 2020, or 6.3% of total earnings in the region. Tourism earnings rose by 148% between 2000 and 2020, or an increase of \$148 million.

Measuring the size of the tourism sector is challenging because it does not fit the standard industrial classification used to record employment and economic activity in sectors like manufacturing, agriculture and retailing, which are classified according to the goods and services

they produce. Instead, the tourism sector is defined by the characteristics of tourists and their consumption of products and services. A Tourism Satellite Account is the economic approach used to estimate the use of tourism related goods and services across a broad range of industry sectors. The estimates used in this profile are based on the Tourism Satellite Account 2020 prepared by Statistics New Zealand and Infometrics workforce and GDP estimates.

The Manawatū visitor economy comprises an extensive network of businesses, amenities, and communities. As well as the typical 'tourist' businesses such as hotels and motels and tour or activity providers, our region has diverse fabric of businesses who all play a part in our visitor market. Our hospitality and retail sector generates significant visitor spend, and our arts and cultural sector, heritage scene and outdoor recreational facilities all add a compelling dimension in appealing to visitors. Additionally, our events sector and major venues are important to the attraction and leveraging of our visitor market, helping to increase spend and stay within the region.

Estimates for the contribution of the sector to regional economic activity or gross domestic product (GDP), based on the tourism satellite account, suggest it had a direct economic contribution of \$270 million in 2020. Understanding the value of tourism to the region is critically important, both for our regions' economy, and for our host communities. In some areas, new insights and reporting are required to monitor the success measures over time and therefore better understand tourism's contribution to the region's prosperity.



Conclusions

While the Manawatū has not traditionally been recognised as a significant tourist or visitor destination, tourism measures show there are significant numbers of domestic and international visitors to the region and that it compares well against other recognised destinations.

The success of the region reflects the level of investment by its Councils and business community in infrastructure which supports a wide range of events and activities. It also reflects the region's central position in New Zealand and position at the hub of the State Highways and air services network. Examples of investment in infrastructure which have supported growth in visitor numbers are the Palmy Conference and Function Centre, He Ara Kotahi shared pathway and river bridge, indoor sports facilities at Central Energy Trust Arena, Manfeild Park, and Te Manawa Museum of Art, Science and History. Much of this investment has underpinned growth in visitor numbers during periods which would normally have seen low points in commercial accommodation occupancy. It appears this diversity has provided a more favourable economic return for the region compared with the significant investment made in sports stadiums in other regions.

Investment by the business community, notably the \$90 million invested by Kiwi Income Property Trust in expansion of The Plaza, has added to the strength of retailing in the region. Shopping is now a major recreational activity for visitors, and an important draw card for visitors across the Wellington, Manawatū-Whanganui, Taranaki and Hawkes Bay regions. The trend towards seven-day a week shopping by many retailers has contributed to this becoming a primary recreational activity for many young people and increasingly important in their "holiday" or leisure experience. The region's success in hosting conferences, and multi-day events, is also reflected by recent significant investment in the Awapuni Function Centre.

The education and health sectors also play an important role in bringing domestic and international visitors to the region, again offering support for the commercial accommodation and retail sectors during the usual winter low of the New Zealand tourism sector. Electronic

expenditure data shows the region has the smallest difference between seasonal highs and lows in retail spending of any region. International visitor numbers are still smaller compared with other regions, but recent growth in visitor numbers suggest the region is becoming increasingly recognised for the experiences on offer.

The tourism and visitor sector is a significant contributor to economic activity in the region, accounting for an estimated 4,596 jobs in 2021, annual earnings from salaries, wages and self-employment income of \$251 million in the year to March 2020, and an estimated economic contribution to the regional economy of \$282 million in the year to March 2021. It has been an important contributor to the strong economic growth the region has experienced over the last decade and we expect it to be remain so in the future.



