

PALMY[®]
PARAIŌEA
PALMERSTON
NORTH
CITY

MANAWATŪ

**KĀHUA RĀNGAI TĀPOI
TE ROHE O MANAWATŪ**

**MANAWATŪ REGION
TOURISM SECTOR PROFILE**

HARATUA 2022
MAY 2022

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

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 restriction are eased.

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

² IPU 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 Te Ahu a Turanga Manawatū

Tararua Highway 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.

