

**TE ĀHUA O TE RĀNGAI HAUORA
ME TE TAUTĀWHI PĀPORI
I TE ROHE O MANAWATŪ**

**MANAWATŪ REGION
HEALTH CARE AND SOCIAL ASSISTANCE
SECTOR PROFILE**

**WHAKARĀPOPOTO
EXECUTIVE SUMMARY
2022**

Executive Summary

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

The health care and social assistance sector is the largest sector for employment in the Manawatū region. With an estimated workforce of 8,000 people in March 2020, and total earnings (salaries and wages and self-employment income) of \$451 million in the year ended March 2020, the sector accounted for 12.3% of employment in the region and 12.6% of earnings. At a national level the sector contributed 8.6% of total employment and 9.9% of earnings.

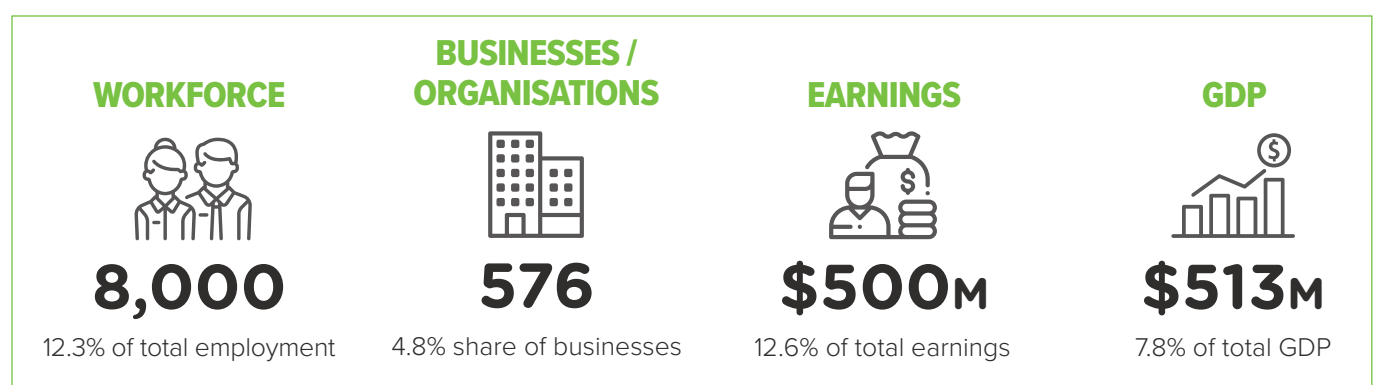
Employment in the sector has increased strongly over the past 20 years, with the workforce in the region increasing by 51% (2,720 people) between 2000 and 2020, while national growth in the sector was 69%. The 51% increase in employment in the health sector in the region was significantly higher than the employment growth of 29% recorded across all sectors in the Manawatū region. The 2,720 jobs created account for 19% of total employment growth in the region.

Infometrics' projections for workforce growth in the sector suggest the total health sector workforce will increase from 7,983 people in 2018 to 13,282 by 2048, an increase of 66% from 2018, with an additional 5,298 people working in the sector. The overall workforce in the region is projected to increase by 35% over this time.

Earnings in the sector have more than doubled between 2000 and 2020 (the latest earnings data available), increasing by \$357 million over this period - an increase of 249%. This accounted for 15% of total income growth in the region over this period. Total earnings across all sectors in the region increased by 159% between 2000 and 2020.

There were 576 businesses and other organisations operating in the sector in February 2021, a 4.8% share of total organisations in the region. This share is much lower than the sector's share of jobs and earnings because employment is concentrated in large organisations. Organisations with 50 or more employees accounted for 72% of health care and social assistance salary and wage earners in 2021. Organisations with 50 or more employees accounted for 53% of salary and wage earners in all sectors in the region.

The contribution to gross domestic product (GDP) by the health care and social assistance sector is estimated to have been \$513 million in the region in the year to March 2020 (7.8% of regional GDP). GDP in the sector increased by 72% between 2000 and 2020, an average annual growth rate of 2.7%.



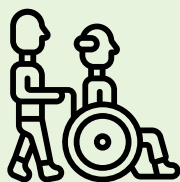
Major employment subgroups within the health care and social assistance sector in the Manawātū region are:



Hospitals

In February 2020, 2,384 people were employed in the two hospitals based in Palmerston North (Palmerston North Hospital and Crest Hospital), an increase of 706 jobs (42% increase) from February 2000. The importance of the City as a major regional centre for hospital-based services is reflected in the region's 3.1% share of national hospital employment, while the region's share of national employment across all industries is 2.7%.

Palmerston North Hospital has a dedicated Intensive Care Unit, Coronary Care Unit and Neonatal Unit, amongst other services, and provides one of the largest provincial trauma centres in New Zealand. Regional speciality services are provided at the hospital to residents of the Taranaki, Whanganui, Hawkes Bay, Tairāwhiti and Wairarapa DHBs.



Residential care services

In 2020 1,719 people were employed in residential care services in the region. The largest component of the employment in the residential care sector is aged care residential services, where 1,072 people were employed, increasing by 53% between 2000 and 2020 - well ahead of national employment growth of 41% in this sector. Statistics New Zealand population estimates show the Manawātū region experienced strong population growth in the 85 years and over age group, which increased by 115% between 1996 and 202. The total population in the region increased by only 19%.

Other residential care services employed 647 people in 2020, an increase of 121% from 2000. The category includes Arohanui hospice, Idea Services accommodation, MASH Trust, Women's Refuge, respite residential care, and other residential care facilities, such as Ozanam House (which provides accommodation for cancer patients and their families).

Palmerston North has a high number of disabled people because of the wide range of services offered in the City, the relative affordability of housing compared with larger centres and the ease of getting around the City. This is reflected in Ministry of Social Development data, showing that the region has a 3.3% share of the people receiving the Supported Living Payment as at June 2020, higher than its 2.4% share of the total population. The region has a 2.8% share of people receiving the Disability Allowance. The higher than expected number of people with a disability not only increases economic activity in the region through the additional number of people employed to provide support services, but also adds to the level of spending in the region by the people with a disability who have chosen to move here.



Medical and other health care services

The medical and other health care services category covers a broad range of health providers not covered elsewhere in the health care and social assistance classification. These include general practice and specialist medical service, dentists, midwives, podiatrists, clinical psychologists, dieticians and nursing services. In 2020 2,631 people were employed in the sub-sector, with a significant proportion employed in providing health and support services for people in their own home.



Child care services

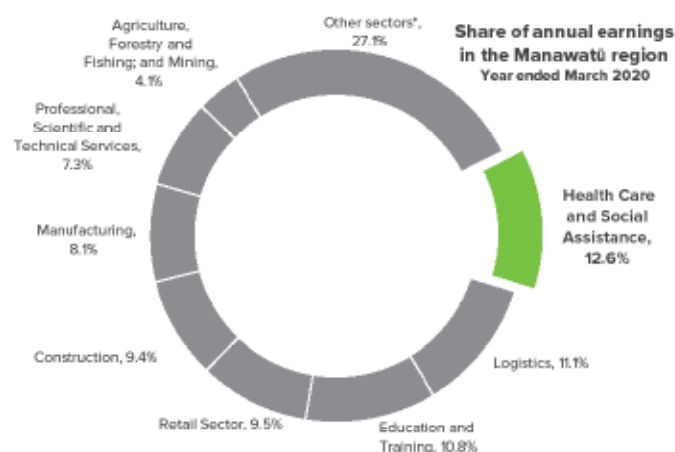
The child care services classification includes after-school care services, childminding services and day care services which are not accredited early childhood education providers, which are classified in the education sector. Employment increased by 143% between 2000 and 2020, with 553 people employed in February 2020.

Measuring economic benefits of the health care and social assistance sector

Health has long been recognised in development economics policy as one of the fundamental determinants of economic growth and poverty reduction. The positive impact that health has on growth and poverty reduction occurs through a number of mechanisms, such as a reduction of production losses due to less illness among workers, increased productivity as a result of better nutrition, lower absenteeism rates and improved learning among school children.

Improved health also allows for the alternative use of financial resources that might normally have been destined for the treatment of ill health. While the priorities for health improvement in high income countries change from those in developing countries, there is recognition that public investment in health services still produces significant social and economic benefits.

Other economic benefits from the expansion of the health sector are seen through increased demand for visitor accommodation (patients, their family and friends, and conferences and training associated with the health sector), the attraction of people to the region due to the availability of specialist services and expertise, and the attraction of skilled staff and their families.



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

