Our community

- Population has grown by 1,000 residents since 2014 to reach 29,800.
- Population is 86.4% European, with Maori 14.3% of the population. This compares with 70% and 14.1% respectively for NZ.
- Self-employment rate is 26%. This is 10% higher than for NZ (16.6%).
- Increase in school rolls of 1.5% to July 2016. This compares with 1.4% for NZ & 1.8% for the Region.
- 2015 saw 85.5% of school leavers achieving NCEA level 2. This compares with 79.1% for NZ.
- 8% increase in number of superannuitants since 2014 (6.9% NZ)
The structure of the Manawatu Economy

Percentage contribution of Industry to GDP
Manawatu versus NZ
Manawatu is an attractive place to live

Population growth has increased to a twenty year high of 1.7%. This compares with 1% for the Region and 1.1% for Palmerston North.
Strong population growth and favourable economic conditions such as

- growth in jobs – 161 jobs created between 2014 to 2015;
- low unemployment - 4.2% (Region 5.8%; NZ 5%) accompanied by a reduction in Jobseeker benefits – 7.5% (Region +1.1%; NZ -0.04%);
- increase in 2016/17 forecast Dairy pay out – 54% ($151m to $232m);
- Relatively low petrol prices; and,
- sustained low interest rates

are contributing to an increase in confidence and investment in residential housing, new vehicles & increased traffic flows
Confidence is reflected in increased demand for housing

17% increase in houses sold in the district to the YE Sept 2016.

38% increase in consents Sept quarter 2016 compared with Sept quarter 2015. June quarter 2016 saw a 91% increase in consents issued compared with June quarter 2015.
and an inevitable increase in average house prices
Growth in vehicle purchases reflects local confidence

Registration of new cars and commercial vehicles has increased by 14% and 17% respectively to the YE Sept 2016.

This growth significantly exceeds both regional and national growth figures.

Growth demonstrates that residents and businesses are confident in the decision to invest in high value items, rather than delay spending.
Things to watch

- Annual average GDP growth for the district fell short of both regional and national growth at 1.6% compared with 2.1% and 3.2% respectively.
- Decline in retail trade of 0.2% (Region +1.7%; NZ +2.7%).
- 16% decline in $ of non-residential consents (Region -23%; NZ +6.8%)
- 9.1% decline in guest nights (Region +1.1%; NZ +6.2%)
Things to consider

- Strength of our primary sector & increasing returns to Dairy
- Economic resilience
- Relative affordability of fuel supporting increase in traffic flows
- National growth in Tourism
- National job growth in knowledge intensive industry
- Growth in Health Care and Social Assistance and Professional, Scientific and Technical Services sectors
- Role of Local Government in supporting Economic Development
Risks and constraints

• Global political and market uncertainty
• Fluctuating commodity prices
• Global economic transformation toward protectionist trade policies
• Finance conditions i.e., increasing interest rates, availability of capital
• Global and domestic debt levels
• Resource constraints: Labour supply – skills shortages and matching skills with demand for labour; outstripped demand for construction materials.
• Central and local government policy
The future: Manawatu 2038

- The population is projected to increase by 4,600 to 34,400
- 88% of our people will identify as European with 24% identifying as Maori. This compares with 63% and 19% respectively for the nation.
- 51% of the population will be female vs 49% male
- The median age will increase from 40.6yrs to 45.7yrs
- The number of people 65+ will increase by 83% from 5,030 to 9,190
- 2,600 dwellings will be required to house over 65s
- The average number of people per household will decline from 2.5 to 2.3
Summary

• We are unique. We have a distinct demographic and economic structural profile which sets us apart.

• We are doing well. Record net migration, population growth, and favourable economic conditions are supporting confidence in the economy.

• There are opportunities – supporting business and the community, and capitalising on increased traffic flows

• There are risks - some we can influence, some we cannot

• Our community is changing – demographic change will impact on future Local Government decision making
Any Questions?
Manawatu – tourist spending categories

Tourist product spend 2016 vs growth in product spend (2009-2016)
Job creation vs wage growth

Job numbers & salary growth - YE June 2015

- Ruapehu District
- Whanganui District
- Rangitikei District
- Manawatū District
- Palmerston North City
- Tararua District
- Horowhenua
- New Zealand

% change salary & wages - YE June 2015
% change job numbers (actual filled jobs) - YE June 2015
Housing affordability

- Housing affordability is calculated by dividing the average current house value to average annual earnings for a defined area. Higher ratios indicate lower housing affordability.
<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of business units</th>
<th>% of total business units</th>
<th>$ GDP contribution</th>
<th>% GDP contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry and Fishing</td>
<td>1410</td>
<td>37.3%</td>
<td>183.3</td>
<td>21.7%</td>
</tr>
<tr>
<td>Rental, Hiring and Real Estate Services</td>
<td>830</td>
<td>22.0%</td>
<td>74.8</td>
<td>8.9%</td>
</tr>
<tr>
<td>Construction</td>
<td>290</td>
<td>7.7%</td>
<td>42.9</td>
<td>5.1%</td>
</tr>
<tr>
<td>Professional, Scientific and Technical Services</td>
<td>170</td>
<td>4.5%</td>
<td>38.3</td>
<td>4.5%</td>
</tr>
<tr>
<td>Financial and Insurance Services</td>
<td>153</td>
<td>4.0%</td>
<td>14.2</td>
<td>1.7%</td>
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<tr>
<td>Other Services</td>
<td>123</td>
<td>3.3%</td>
<td>10.6</td>
<td>1.3%</td>
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<tr>
<td>Manufacturing</td>
<td>110</td>
<td>2.9%</td>
<td>78</td>
<td>9.2%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>98</td>
<td>2.6%</td>
<td>38.3</td>
<td>4.5%</td>
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<tr>
<td>Health Care and Social Assistance</td>
<td>95</td>
<td>2.5%</td>
<td>34.6</td>
<td>4.1%</td>
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<tr>
<td>Wholesale Trade</td>
<td>87</td>
<td>2.3%</td>
<td>34</td>
<td>4.0%</td>
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<tr>
<td>Transport, Postal and Warehousing</td>
<td>82</td>
<td>2.2%</td>
<td>23.1</td>
<td>2.7%</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>77</td>
<td>2.0%</td>
<td>10.7</td>
<td>1.3%</td>
</tr>
<tr>
<td>Education and Training</td>
<td>69</td>
<td>1.8%</td>
<td>38.8</td>
<td>4.6%</td>
</tr>
<tr>
<td>Administrative and Support Services</td>
<td>66</td>
<td>1.7%</td>
<td>8</td>
<td>0.9%</td>
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<tr>
<td>Arts and Recreation Services</td>
<td>49</td>
<td>1.3%</td>
<td>6.9</td>
<td>0.8%</td>
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<tr>
<td>Public Administration and Safety</td>
<td>42</td>
<td>1.1%</td>
<td>90.8</td>
<td>10.8%</td>
</tr>
<tr>
<td>Information Media and Telecommunications</td>
<td>16</td>
<td>0.4%</td>
<td>3.8</td>
<td>0.4%</td>
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<tr>
<td>Electricity, Gas, Water and Waste Services</td>
<td>9</td>
<td>0.2%</td>
<td>2.8</td>
<td>0.3%</td>
</tr>
<tr>
<td>Mining</td>
<td>4</td>
<td>0.1%</td>
<td>62.1</td>
<td>7.4%</td>
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<tr>
<td>unallocated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owner occupied property operation</td>
<td>48</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3780</strong></td>
<td><strong>100%</strong></td>
<td><strong>845</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Percentage of business units versus percentage of GDP

- Agriculture, Forestry and Fishing
- Construction
- Professional, Scientific and Technical Services
- Financial and Insurance Services
- Other Services
- Manufacturing
- Retail Trade
- Wholesale Trade
- Transport, Postal and Warehousing
- Accommodation and Food Services
- Education and Training
- Arts and Recreation Services
- Public Administration and Safety
- Information Media and Telecommunications
- Electricity, Gas, Water and Waste Services
- Mining
- Owner occupied property operation

- % of total business units
- % GDP contribution
Regional electronic card spend - fuel outlets

Fuel outlets: Percentage change in annual electronic card transactions

Ruapehu
Whanganui
Rangitikei
Manawatu
Palmerston North
Tararua
Highlights - Manawatu District Quarterly Monitor

- Population growth - 1.7% (Region 1%; NZ 2.1%)
- Average annual unemployment rate Reduction in Jobseeker benefits – 7.5% (Region +1.1%; NZ -0.04%)
- Increase in traffic flow - 4.8% (Region 5.7%; NZ 4.8%)
- Residential consent growth - 73% (Region 27%; NZ 14%)
- House price growth - 12% (Region & NZ 11%)
- Vehicle registration – cars 14%; commercial vehicles 17% (NZ 3.2%; 10%)
- 2016/17 forecast increase in dairy pay out – 54% ($151m to $232m)
Employment growth by industry: 2010 - 2015

Employment and employment growth by industry over the 2010-2015 period

Filled jobs 2015

Change in number of jobs - 2010 to 2015
Tourism - Regional Comparison

Regional tourism spend
2009 - 2016

Tourism spend 2009
Change in Tourism spend 2009-2016
% change in Tourism spend 2009-2016

- Ruapehu
- Whanganui
- Rangitikei
- Manawatu
- Palmerston North
- Tararua
- Horowhenua

Tourism spend 2009
Change in Tourism spend 2009-2016
% change in Tourism spend 2009-2016
Manawatu Retail Spend

From October 2015 to October 2016, spend in the Hardware and Homeware category increased by 12.2% and spending at Bars, cafes and following categories experienced the greatest increases:

Hardware and homeware 12.2%
Bars, cafes & restaurants 9%

While spend in the following categories experienced the greatest declines:

October 2016 saw retail spending in Sanson grow by 10.9% compared with October 2015 ($2,151,116 to $2,385,588).
Trade data

1. Australia  1. Milk powder, butter & cheese (-7.3%)
2. China  2. Business & other personal travel (17.7%)
3. European Union  3. Meat & edible offal (3.6%)
4. USA  4. Logs, wood & wood articles (10%)
5. Japan  5. Education travel (16.3%)

Dairy cattle farming contributed 9.8% to GDP.