



# Growing Manawatū

Manawatū District Council

## Economic Development Strategy

September 2017

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# Foreword

Economic growth and prosperity are the keys to shaping a better quality of life for the Manawatū community. The Manawatū District has outstanding attributes in its location, infrastructure and land – which when brought together with existing and future economic development opportunities will help to grow skills and capability, and businesses and employment.

Industry in the Manawatū is well positioned to participate in key growth sectors – food, agriculture, defence, education, visitor/tourism, services and logistics – all of which can harness innovation and technology.

Within these sectors, we want to support growth and diversity of business and employment opportunities that meet the needs of our business sector and our residents, creating prosperity and sustainable incomes for our families. Making best use of our outstanding attributes and the array of education and training support in our region, we can bring this approach together.

The Manawatū District Council Economic Development Strategy – Growing Manawatū, defines the goals and actions necessary to shape the social and economic potential of the community. Council is committed to providing a friendly and supportive environment for local businesses to prosper.

Importantly, implementation requires that all stakeholders work cooperatively. A collaborative effort across central and local government, business and the community must be strongly pursued.

Growing Manawatū provides the practical framework and necessary actions that will achieve a more prosperous future for our District in the next decade and beyond.



A handwritten signature in black ink that reads "Helen Worboys".

**Helen Worboys**  
Mayor  
Manawatū District Council



A handwritten signature in black ink that reads "R.G. Templer".

**Dr Richard Templer**  
Chief Executive  
Manawatū District Council

# Executive Summary

*Local government's role in economic development is critical. Councils need to demonstrate vision, communication, partnership and alliance-building. Councils can do this by working with business and investors, engaging stakeholders and mobilising support from residents for change. Councils are well-placed to provide local leadership for cross-border and cross-sector collaboration strategies to encourage economic development.*

– A Guide to Local Economic Leadership (Local Government NZ)

The Manawatū District Council is committed to working with our community and key partners to deliver a local economy that is prosperous and diverse, and offers a high quality of life for all. The purpose of the Economic Development Strategy 'Growing Manawatū' is to articulate the vision of Council alongside our economic goals for 2028, and the actions we will take to achieve the best possible future for the people of the Manawatū District.

'Growing Manawatū' adopts a collaborative approach, utilising and building on services provided by Central and Regional Government alongside key agencies such as our Central Economic Development Agency, Talent Central, the education sector and neighbouring Councils. Our strategy recognises the fundamental role of community and the business sector in achieving a prosperous future for our District.

We identify our attributes of land, infrastructure and location and how we can build on these strengths to expand and diversify our priority sectors. Our land provides opportunities to grow our food and agricultural sectors; our economic development infrastructure provides excellent lifestyle choices and supports defence-force opportunities and growth of our education and visitor/tourism sectors; while our location in proximity to Palmerston North and markets of the Central and Lower North Island supports expansion of our services and logistics sector.

The Manawatū District also benefits from access to cutting edge agricultural and food research innovation and technology. Combining this with our strength in primary production provides opportunities for significant expansion and diversification of our agribusiness sector into value-added primary industry.

Our economic goals and actions focus on areas we can influence - growing business and employment, and skills and capability to support the creation of strong and sustainable communities.

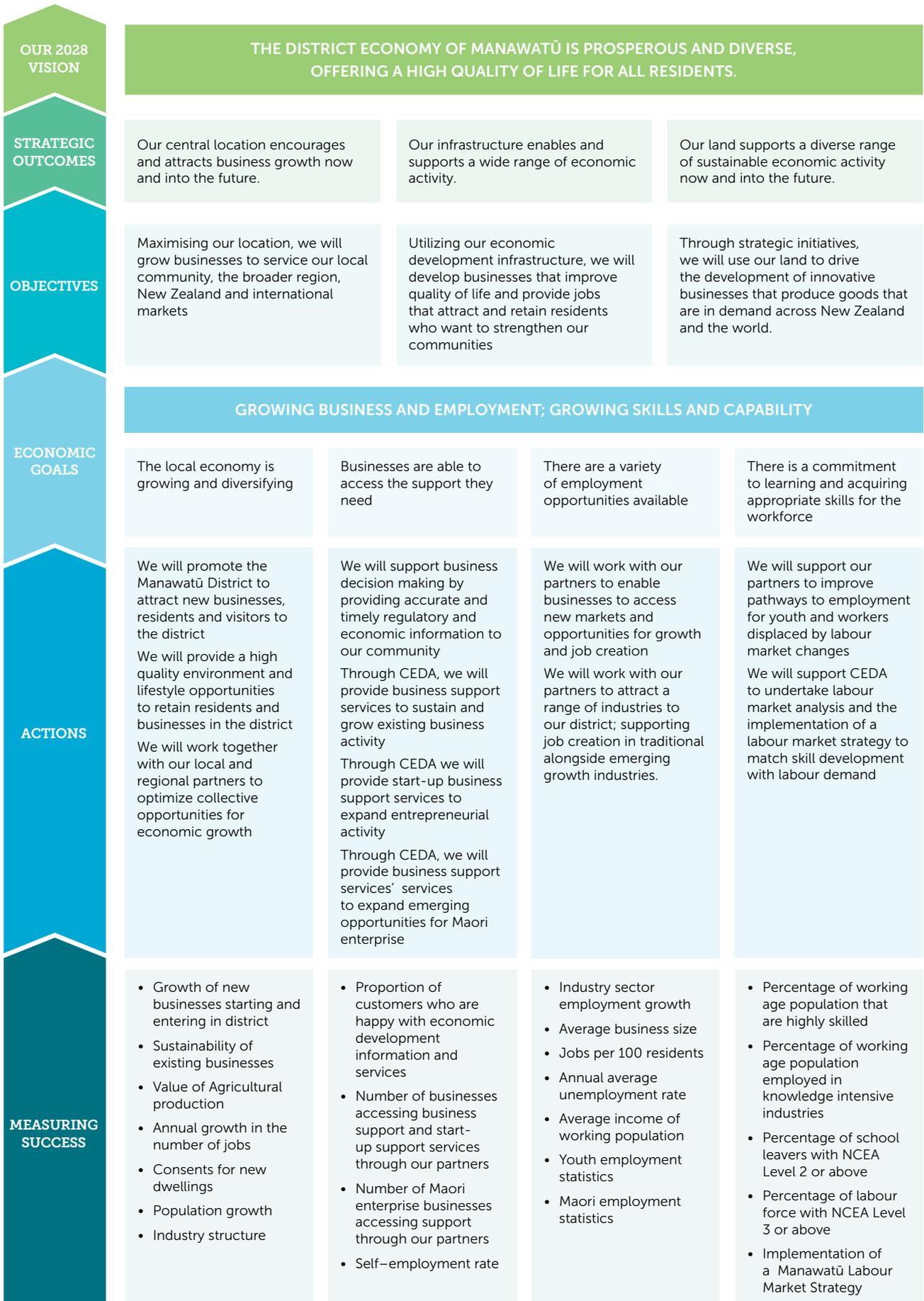
Small trading economies, such as New Zealand, are not immune to global influences outside our control. Accordingly we explore the strengths, weaknesses, opportunities and threats that exist for our local economy and how we can support growth while doing what we can to manage risks to the economy. While we might not be able to influence global political and economic conditions or the demand patterns of our trading partners, the analysis highlights where we may be able to do more to sustain our economic base in particular the integrity of our primary industries.

The following plan articulates our strategy - from our Economic Development vision, to our objectives, economic goals and the actions we will take, alongside our community and key partners, to create a District economy that is prosperous and diverse and offers a high quality of life for all residents.

Progress toward our 2028 goals will be monitored and reported to Council and Community on an annual basis to ensure our strategy remains responsive to changing economic conditions and Council and community priorities.

<sup>1</sup> Visitor/tourism sector includes international, domestic and regional visitors to the Manawatū District.

# Growing Manawatū – From Vision to Actions



<sup>1</sup>CEDA - Central Economic Development Agency.

# Our District

Stretching from the rugged and picturesque Ruahine Ranges in the north to the sands of Himatangi Beach in the south, and most of the area between the Rangitikei River in the West and Manawatū River in the east, the Manawatū District is home to approximately 29,800 people.

At the heart of the District is the township of Feilding. Feilding has been named New Zealand's most beautiful town 16 times, is home to iconic attractions including the saleyards in the centre of town, the Coach house Museum, Manfeild Park and arguably the best farmer's market in New Zealand.

Around the District, the quality of our villages and rural landscapes promote the Manawatū as a great place to live and recreate, while our vast productive lands and extensive primary sector provides both a strong foundation and future opportunities for the Manawatū District to cement itself as the food basket of New Zealand.

Our proximity to the city of Palmerston North alongside our central location within the North Island presents unique opportunities for the Manawatū District to access and benefit from the shared markets of the central and lower North Island, including education. The significant presence of the New Zealand Defence Force (NZDF) both within our boundaries and in neighbouring Palmerston North further supports our resilience, and future opportunities for the regional economy. Similarly there are a number of significant agricultural, horticultural and food research institutions clustered together in the Manawatū Region.

Our outstanding attributes of land, infrastructure and location have, and will continue to provide a solid foundation from which to achieve our economic development goals.

Recognising the unique characteristics of the District, through the Long Term Plan Manawatū District Council has established a clear vision for our future.



The Council's overarching vision is:

**Connected, vibrant and thriving Manawatū District – the best lifestyle in New Zealand.**

Within this overarching vision, key community visions are further defined:

### **FEILDING VISION**

An attractive, progressive and inclusive country town that offers lifestyle choices, and is the agri-business hub of the region.

### **VILLAGES' VISION**

Attractive and prosperous communities that offer lifestyle choices and business opportunities within a unique environment.

### **RURAL VISION**

Providing world-leading food, products and services within a beautiful sustainable rural landscape that offers outstanding recreational opportunities

Underpinning the vision statements, a set of outcomes was developed which show the priorities Manawatū District Council is working towards:

1. Manawatū District protects the natural environment through stewardship of the District's natural and physical resources
2. The Manawatū District attracts and retains residents and businesses
3. Manawatū District develops a broad economic base from its solid foundation in the primary sector
4. Manawatū District is connected via quality infrastructure, services and technology
5. Manawatū District's built environment is safe, resilient and attractive
6. Manawatū District Council is a customer focussed and efficient organisation

This clear articulation of the overarching strategic directions for the community, provides a strong basis and context for defining our economic development vision:-

*In 2028, the District economy of Manawatū is prosperous and diverse, offering a high quality of life for all residents.*

# Our Economy 2017

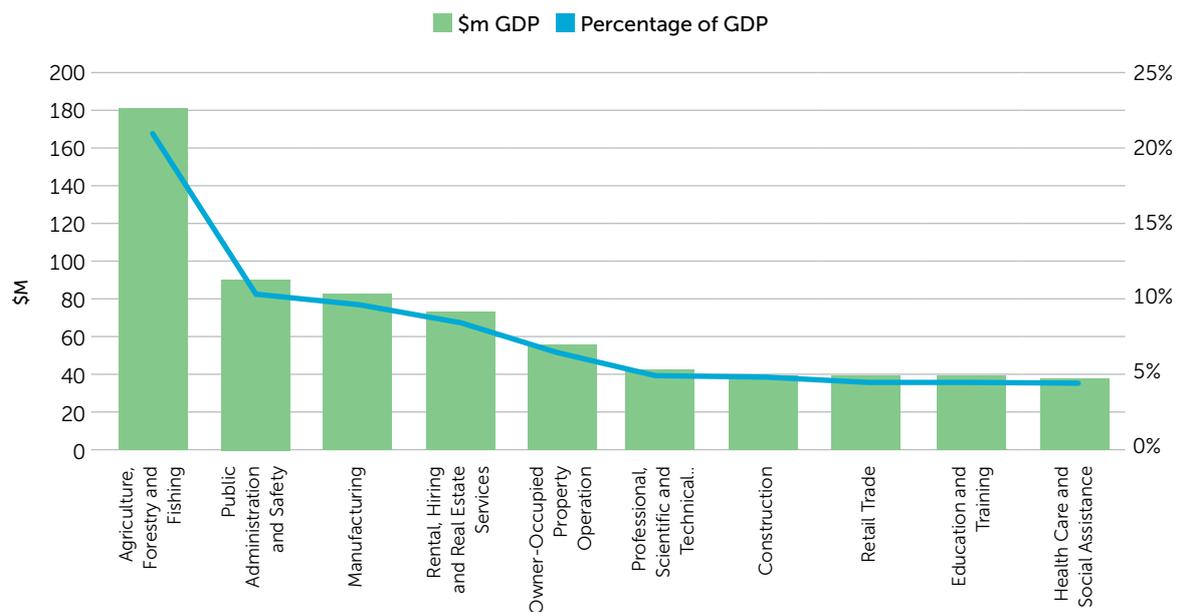
Economic growth in the District to the year ended March 2017 exceeded growth at both the regional and national level.

The current expansion of the local economy is due to a number of factors. Firstly, our outstanding attributes of land, infrastructure and location provide the foundations for a strong local economy. At the local level, our District is a great place to live with abundant lifestyle choices, quality physical and social infrastructure, a central location, accessibility to larger markets, high rates of employment and the confidence of residents to spend and invest in the local economy.

More broadly, economic benefits from our primary sector are increasing due to rising commodity prices for dairy and meat products in addition to favourable terms of trade and global supply and demand conditions. The District is also benefiting from a strong domestic economy reflected in strong population growth, a growing visitor/tourism economy and planned central government investment in critical infrastructure and health and defence force spending.

## INDUSTRY STRUCTURE

The following ten industry sectors contribute 80% of Gross Domestic Product (GDP) to the Manawātū District economy<sup>2</sup>.



Our industry structure reflects the significant contribution of primary industry to our economy, with \$180m or 21% of GDP contributed directly from the agriculture, fishing and forestry sector.

Our Defence Force and manufacturing industries also contribute strongly while growth industries such as Administrative and Support Services (↑27.7%, +\$2.2m), Information Media and Telecommunications (↑16.3%, +\$0.8m), Financial and Insurance Services (↑12.3%, +\$1.7m), Health Care and Social Assistance (↑9.2%, +\$3.2m), Accommodation and Food Services (↑5.2%, +\$0.5m) and Professional, Scientific and Technical Services (↑3.8%, +\$1.6m) provide further opportunities for investment attraction and expansion.

<sup>2</sup> Infometrics.

# MANAWATŪ DISTRICT TODAY



	MANAWATŪ DISTRICT		NEW ZEALAND
	CHANGE (from Previous Year)	LEVEL	CHANGE/LEVEL
 <b>POPULATION GROWTH</b> Source: Statistics NZ June 2016	↑1.7%	29,800	↑2.1%
 <b>CONSENTS FOR NEW DWELLINGS</b> Source: Statistics NZ Mar 2017	↑42%	162	↑10.2%
 <b>GROSS DOMESTIC PRODUCT \$M</b> Source: Infometrics Mar 2017	↑3.5%	\$887	↑2.9%
 <b>AGRICULTURAL PRODUCTION \$M</b> Source: Infometrics 2016	↑3.3%	\$162.5	↑2.1%
 <b>AVERAGE BUSINESS SIZE</b> Source: Infometrics 2016	↑0.1%	2.8	4.3
 <b>UNEMPLOYMENT RATE</b> Source: Infometrics Mar 2017	↓0.3%	3.8%	5.0%
 <b>EMPLOYMENT GROWTH</b> Source: Infometrics 2016	↑1.8%	10,651	↑2.7%
 <b>SELF-EMPLOYMENT RATE</b> Source: Infometrics 2016	↑0.5%	28.2%	18.0%
 <b>AVERAGE INCOME OF WORKING POPULATION</b> Source: Infometrics 2016	↑3.5%	\$49,010	\$57,780
 <b>PERCENTAGE OF WORKING AGE POPULATION THAT ARE HIGHLY SKILLED</b> Source: Infometrics 2016	↑0.1%	25%	33.5%
 <b>PERCENTAGE OF SCHOOL LEAVERS WITH NCEA LEVEL 2</b> Source: Education Counts 2015	↑3.3%	85.5%	79.1%
 <b>PERCENTAGE OF SCHOOL LEAVERS WITH NCEA LEVEL 3</b> Source: Education Counts 2015	2.7%	50.6%	52.8%
 <b>VISITOR/TOURISM SPENDING</b> Source: 'MBIE'	7.4%	\$46m	11.3%

# MANAWATŪ DISTRICT 2028

The District economy of Manawatū is prosperous and diverse, offering a high quality of life for all residents.

## MANAWATŪ DISTRICT 2028 TARGET



### POPULATION GROWTH

The population of the Manawatū District will have grown by **12.6%** to **34,715** residents.



### CONSENTS FOR NEW DWELLINGS

There will be an additional **1700** dwellings across the district



### GROSS DOMESTIC PRODUCT \$M

GDP will continue to reflect prosperity in the district economy having grown by an annual average rate of **2.5%** to **\$1,160m** or above



### AGRICULTURAL PRODUCTION \$M

Reflecting our strength in the primary industries, the value of agricultural output in the district will have grown at a rate higher than the national growth rate.



### AVERAGE BUSINESS SIZE

The average business size will have continued to grow reflecting confidence of businesses to expand.



### UNEMPLOYMENT RATE

The unemployment rate will continue to be below the national average rate of unemployment.



### EMPLOYMENT GROWTH

There will be an additional **2000** jobs in the district



### SELF-EMPLOYMENT RATE

The Manawatū District will continue to demonstrate higher rates of self-employment than the national average, reflecting the strength of our primary industries and entrepreneurship in the district



### AVERAGE INCOME OF WORKING POPULATION

Growth in average income in the district will equal or exceed national average income growth



### PERCENTAGE OF WORKING AGE POPULATION THAT ARE HIGHLY SKILLED

Growth in the percentage of the working age population that are highly skilled will equal or exceed growth at the national level'



### PERCENTAGE OF SCHOOL LEAVERS WITH NCEA LEVEL 2

Our school leavers will continue to have higher rates of NCEA Level 2 achievement than the national average.



### PERCENTAGE OF SCHOOL LEAVERS WITH NCEA LEVEL 3

Our school leavers will achieve NCEA Level 3 at a rate equal to or higher than the national average.



### VISITOR/TOURISM SPENDING

The annual expenditure growth rate will continue to increase toward the national average.

# In 2028, we have built on our outstanding attributes of Land, Economic Development Infrastructure and Location

The wider Manawatū is known as a world centre for agricultural and food research, innovation and security, whilst continuing its commitment to sustainability through its care of the rural landscape which the community values so highly. It is a hub for research and development, supported by dynamic private and public research institutes.

A diverse range of business and industry has located, invested and grown in Manawatū because it is a location that supports and sustains a range of enterprises, from small business through to large companies. It is a region underpinned by strong business development and information support in addition to high quality social, technological and transport infrastructure.

A strong commitment to skills development and education of local residents has paid off – residents are accessing and benefiting from a range of employment and economic opportunities, enjoying an abundance of affordable lifestyle opportunities and contributing strongly to their local communities.

Manawatū's young people are educated, motivated and skilled, and are an important part of the regional economy. They have access to a range of high quality learning and development opportunities, and are well supported by the community to reach their full economic and social potential.

Manawatū's town centre and villages are thriving and engaging hubs of social and economic activity, enabling residents to enjoy lifestyles, strong community and business opportunities within a unique and desirable rural setting.

## Land

Supported by the identification of new markets and the application of innovation and technology, our land has provided the basis for significant expansion and diversification into value-added primary industry.

The New Zealand Government has identified agricultural and food research and innovation as an important part of its framework for business growth. Central Government investment alongside our education and technology sector, have supported our region's emergence as a food innovation centre with considerable expertise in science, research and development.

The agricultural sector continues to provide the backbone of our local economy. Technological improvements have driven greater productivity in the farming industry. This has provided incentives and greater opportunities to innovate and expand business development into local, regional and international markets.

### Strategic Outcome One

Our land supports a diverse range of economic activity now and into the future. Through strategic and sustainable initiatives, we will use our land to drive the development of innovative businesses that produce goods that are in demand across New Zealand and the world.

# Economic Development Infrastructure

Core infrastructure in key sectors and the quality of our physical and community infrastructure have been leveraged in our economic development approach.

The quality of our physical and social infrastructure such as local roads, services, libraries and sports facilities have combined with location and quality education options to encourage new residents into our District.

Bringing young families, new labour force skills and increased demand for local goods and services, the defence sector has also played a major role in growing the local economy.

Central Government investment in roads of national significance particularly the Northern Corridor have grown access of local businesses to markets of the lower North Island.

Supporting economic growth, technology and transportation infrastructure have provided a strong platform for local businesses to access markets outside our immediate location while investment in a national fibre communication network has brought increased opportunities for users to better connect to the market.

## Strategic Outcome Two

Our infrastructure enables and supports a wide range of economic activity. Utilising our economic development infrastructure, we will develop businesses that improve quality of life and provide employment to attract and retain residents who want to strengthen our communities

## Location

The Manawatū District has benefited from an accessible central location, providing a major hub with more than one million people within a three hour drive. Our location will allow us to drive growth in key sectors including our Agribusiness sector. As retail moves to online purchasing, a central location for distribution in New Zealand becomes a strength for the Manawatū.

In the context of economic development, our location and quality rural/town lifestyle has supported strong population growth in the District.

Leveraging off our location in proximity to Palmerston North and improved access to markets of the lower and central North Island, our focus on supporting both existing and emerging industries to increase productivity and capacity has paid off. The local economy has grown and diversified and our labour force has the skills and capability to match the demand for labour across the District and beyond. Our agribusiness sector has grown and diversified from access to cutting edge agricultural innovation and technology.

## Strategic Outcome Three

Our central location encourages and attracts business growth now and into the future. Maximising our location, we will grow businesses to service our local community, the broader region, New Zealand and international markets.

# Economic Development Objectives

Our key economic attributes, land, infrastructure and location, position us well to drive our economic development objectives:

1. Through strategic and sustainable initiatives, agribusiness people will use the land to drive the development of innovative businesses that produce goods and services that are in demand across New Zealand and the world.
2. Utilising our economic development infrastructure, businesses will develop that improve quality of life, attract visitors and provide employment to attract and retain residents who want to strengthen our communities.
3. Maximising our location, businesses will grow to service our local community, the broader region, New Zealand and international markets.



# Economic Development Goals

By focusing our resources on developing our outstanding attributes to grow business and employment and skills and capability, we will support our District to sustain:

1. A local economy that is growing and diversifying;
2. Businesses that are able to access the support they need to prosper;
3. Growth in employment opportunities to support the prosperity of the local community; and
4. The confidence of residents to commit to learning and acquiring appropriate skills to support themselves and the local economy.

# Growing Business and Employment

Through our actions we aim to attract, retain and grow highly productive businesses

## Key Initiatives

1. We will promote the Manawatū District to attract new businesses, residents and visitors to the District
2. We will provide a high quality environment and lifestyle opportunities to retain residents and businesses in the District
3. We will work together with our local and regional partners to optimise collective opportunities for economic growth
4. We will support business decision making by providing accurate and timely regulatory and economic information to our community
5. Through CEDA we will provide business support services to sustain and grow existing business activity
6. Through CEDA we will provide start-up business support services to expand entrepreneurial activity
7. Through CEDA we will provide business support services to expand emerging opportunities for enterprise.

# Growing Skills and Capability

Through our actions we aim to attract, retain and grow highly productive and talented people

1. We will work with our partners to enable businesses to access new markets and opportunities for growth and job creation.
2. We will work with our partners to attract a range of industries to our District; supporting the creation of employment in traditional alongside emerging growth industries
3. We will support our partners to improve pathways to employment for youth and workers displaced by labour market changes
4. We will support our Central Economic Development Agency (CEDA) to undertake labour market analysis and the implementation of a labour market strategy to match skill development with labour demand.

# Growing and diversifying priority sectors

Our key attributes – land, infrastructure and location – have supported the identification of seven key sectors which we will focus our efforts in the implementation of this strategy. The key features of these sectors provide a strategic advantage, providing a strong foundation on which to build to achieve our outcomes.

Food	<ul style="list-style-type: none"><li>• Developing expertise and growing capability</li><li>• Support growth of value-add food processing</li><li>• Leverage off global focus on security and sustainability</li></ul>
Agriculture	<ul style="list-style-type: none"><li>• High quality land supports growth in productivity</li><li>• Focus on improving links between research and business and growing opportunities in agritechology</li><li>• Leverage off capability in agri-business to grow international markets</li></ul>
Defence	<ul style="list-style-type: none"><li>• Leverage off core infrastructure for broader economic development</li><li>• Support training pathways into technical occupations</li><li>• Attract young families</li></ul>
Education	<ul style="list-style-type: none"><li>• Maximising links between education, research and business</li><li>• Sector underpins regional specialisation in food and agriculture</li><li>• Range of education infrastructure to respond to local opportunities</li></ul>
Visitor/ Tourism	<ul style="list-style-type: none"><li>• Attract more visitors to enjoy the outstanding rural landscape and the Country Road</li><li>• Encourage development of additional visitor/tourism infrastructure</li></ul>
Services	<ul style="list-style-type: none"><li>• Centrally located to service broader region</li><li>• Specialised services, including agricultural, manufacturing, engineering</li><li>• Ability to leverage retail sector in town and neighbouring city</li><li>• E Commerce and Digital Distribution Hub</li></ul>
Logistics	<ul style="list-style-type: none"><li>• Access to people, ports, rail, roads and air services</li><li>• Availability of land, property and services to grow the sector</li><li>• Strong local capability to grow the sector</li></ul>

# Achieving our vision

Manawatū District Council are committed to providing the right environment for residents and businesses to achieve their economic goals. We do this by:

1. Providing regulatory and economic information and support to assist residents and businesses in the District;
2. Providing sufficient land, infrastructure and servicing, and suitable zoning to support the expansion of economic activity and well-being in the District;
3. Providing social infrastructure such as libraries and recreational facilities to support the education and general well-being of the community;
4. Both promoting and providing funding for the promotion of Manawatū District as a great place to live, visit and do business.

We collaborate with our partners through:

1. Providing funding for our Central Economic Development Agency, Building Clever Companies and Spearhead to undertake business support programmes, including services to support innovation and entrepreneurial activity, and enterprise;
2. Working with regional and national partners to optimise collective opportunities for economic growth, including access to funding for programmes i.e. Accelerate25, that support economic development opportunities for our District;
3. Supporting and funding actions to increase access to new markets and expanded opportunities for growth and job creation;
4. Advocating for and contributing to efforts to improve pathways to employment for youth and workers, enhancing the prosperity of residents and the provision of skilled staff to support expansion of local industry; and
5. Providing assistance to support labour market analysis and the establishment of a targeted labour market strategy specific to matching skills development with skills demand in the Manawatū Region.

Hence, while Council plays an important role in facilitating economic growth essentially we cannot achieve the vision and strategic outcomes we strive for single-handedly. Our community and key partners play a fundamental role in enabling economic development in our District and further afield.



# WORKING TOGETHER

## THE ROLES OF OUR KEY PARTNERS

PARTNER	GROWING BUSINESS AND EMPLOYMENT	GROWING SKILLS AND CAPABILITIES
Our Community	Supporting local producers of goods and services. Community led action specific to place.	Essential support for our children and young people to fulfil their potential
Business community	Providing goods, services and employment to the local community	Providing incentives for growing skills and capability to take up employment opportunities
Central Economic Development Agency	Promoting/enhancing the Manawatū brand to attract and retain new businesses, residents and visitors/tourists to the District  Providing business support services to new and existing industry sectors to expand economic activity	Labour market strategy - matching skill development with Labour demand
Spearhead	Attracting Investment and creating new markets to support diversification of the economy	Increase in inward investment creates an incentive to grow skills and capability to participate in growing employment opportunities
Building Clever Companies	Attracting investment by supporting innovation and start-ups in areas of comparative advantage	
Māori Economy <sup>3</sup>	Investment in local and regional economy creating income from assets. Expansion of business and employment opportunities	Supporting higher education and vocational training to grow skills and capability within the Māori community
Education sector	Providing a skilled and capable labour force to support business needs	Educating our young people to lead prosperous and fulfilled lives. Higher education, career advice and vocational training to match skills with labour demand
Talent Central		
Palmerston North City Council and other Territorial Authorities	Collaborating to optimize collective opportunities to expand economic activity	Provision of social infrastructure and collaborating with educational and vocational training providers and local leaders to support labour market strategy on a regional scale
Horizons Regional Council	Accelerate 25 - Regional framework for supporting collaborative efforts to optimize economic well-being including funding	Optimizing economic well-being of the region creates incentives for residents to acquire skills and capability to participate in the workforce
Central Government	Delivery of policy/funding to support regional growth in economic activity i.e. roads, NZDF, tourism/visitor sector, education and social services	Funding of educational and vocational training
FoodHQ	Food innovation gateway – fostering new opportunities and growing business and employment through access to cutting edge food science, technology and innovation.	

<sup>3</sup> Māori economy includes the total contribution to the New Zealand economy of Māori businesses, Māori in business and the commercial operations of post-settlement Iwi. BERL estimates by 2060 the Māori economy will contribute an extra \$12bn to national GDP per annum and create an additional 150,000 jobs per year.

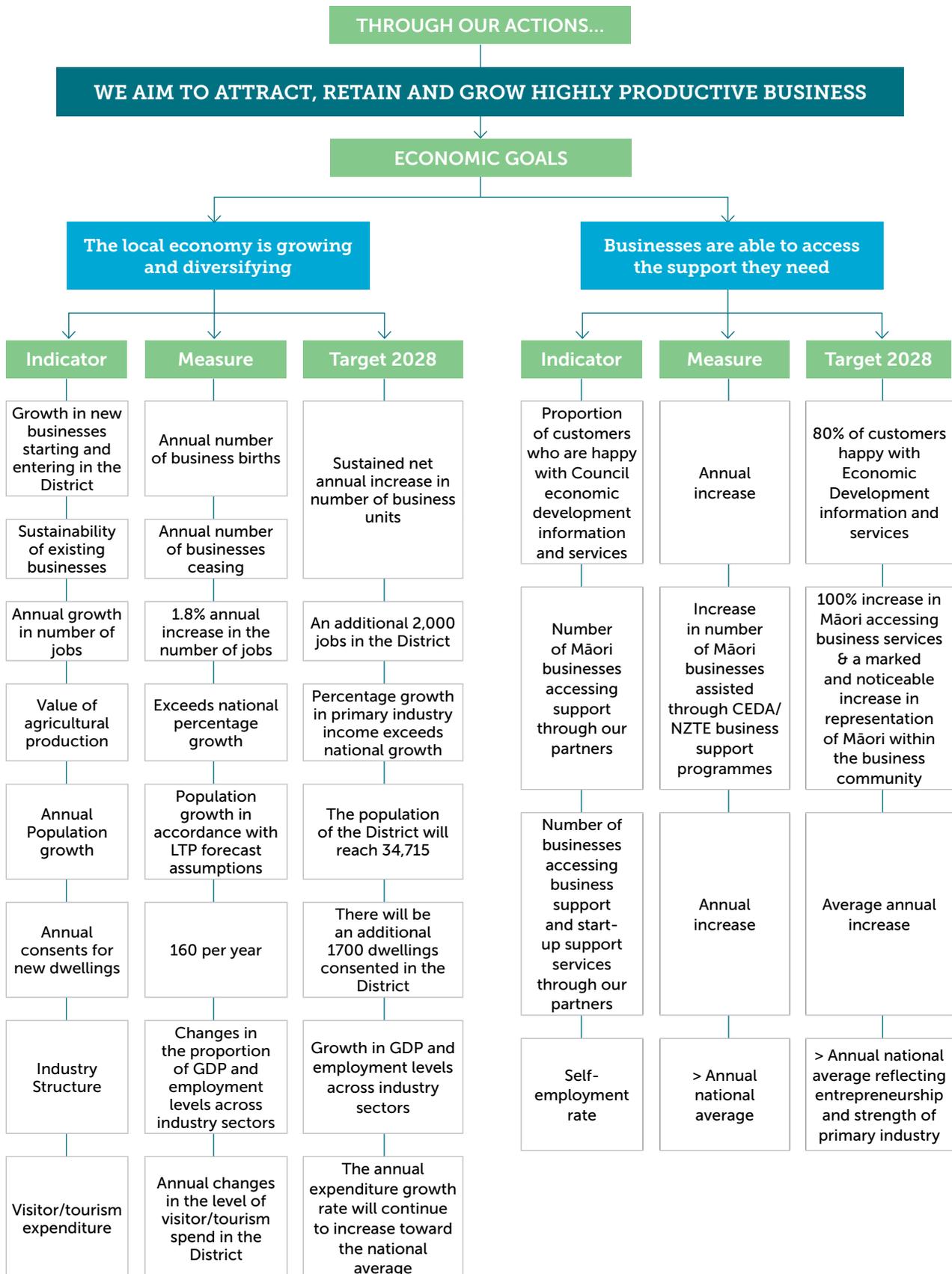


# APPENDICES

# 1.0 Measuring Success

Measuring the effectiveness of our actions is an important part of assessing the need for amendments to our Economic Development Strategy.

The following table sets out indicators we will monitor on an annual basis for both reporting back to Council and to assess the success of our Strategy for achieving the economic goals of our strategy.



THROUGH OUR ACTIONS...

WE AIM TO ATTRACT, RETAIN AND GROW HIGHLY PRODUCTIVE AND TALENTED PEOPLE

ECONOMIC GOALS

There are a variety of employment opportunities available

There is a commitment to learning and acquiring appropriate skills for the workforce

Indicator	Measure	Target 2028
Industry sector employment growth	Annual employment structure changes	Employment structure reflecting diverse employment and overall growth
Average business size	Annual increase	Consistent annual increase in business size
Employment per 100 residents	Annual increase	Consistent annual average increase
Annual average unemployment rate	< National average	Below national unemployment rate
Average income of working population	Annual increase greater than the national average	Growth in average income will exceed growth at the national level

Indicator	Measure	Target 2028
Percentage of working age population that are highly skilled	= or > 33%	Will equal the national average of proportion of highly skilled workers
Percentage of working age population employed in knowledge intensive industries	Increasing	Will equal the national average of proportion of highly skilled workers
Percentage of school leavers with NCEA Level 2 or above	Exceeding national average	Consistently higher rates of achievement than the national average
Percentage of labour force with NCEA Level 3 or above	= or > national average	Growth in achievement at rate equal to or higher than the national average
Labour market strategy	Implementation	Labour market statistics will reflect the matching of skills with labour market demand

## The state of the economy - broader economic indicators

New Zealand has a small economy vulnerable to external influences outside the control of domestic institutions and grass roots action. While we cannot directly influence national and global events, it is important to stay informed of conditions that may impact on the well-being of our residents and the performance of our local economy.

Accordingly, alongside annual reporting on 'measuring our success', the following broad economic indicators will be provided to inform Council decision making.

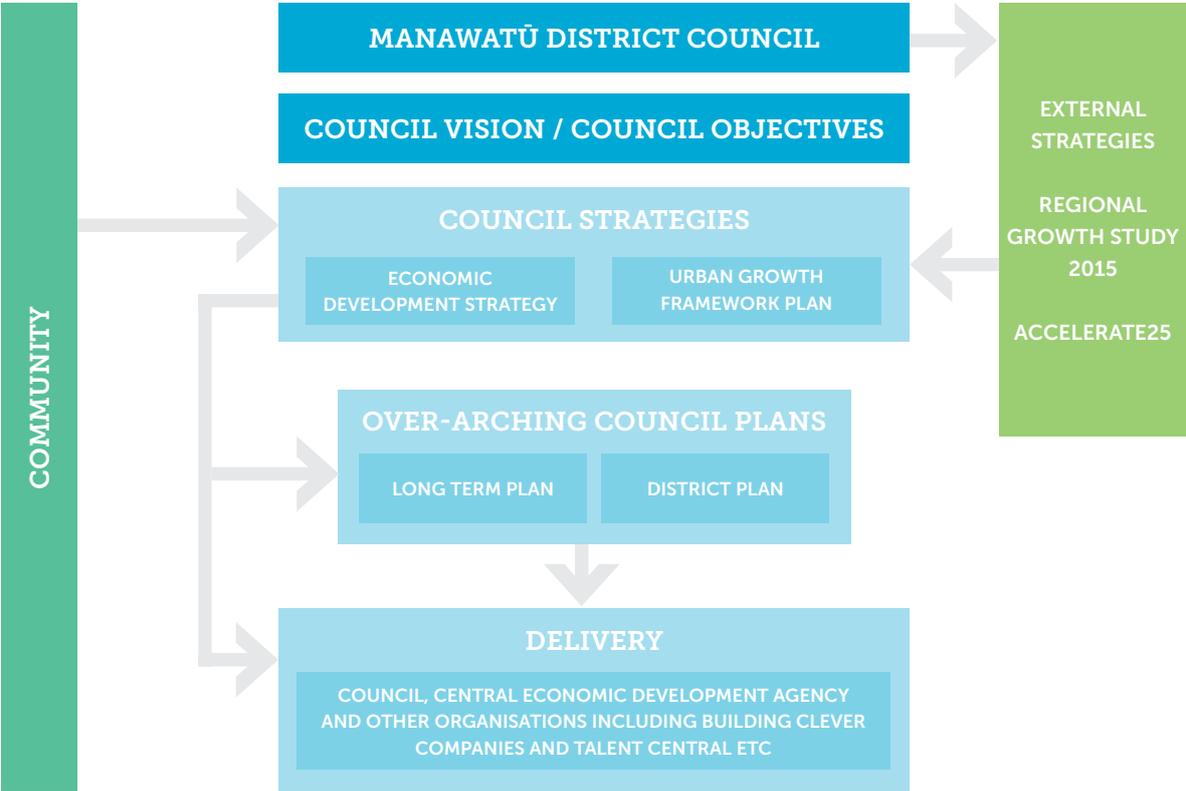
Broad economic indicators	Baseline
Change in total earnings (salaries, wages and self-employed income) (LEED data YE Mar2015)	\$506.865m
Economic Growth (GDP)	\$887m
Change in per-capita GDP	\$28,766
Increase in the District mean income	\$49,010
Change in productivity	-0.01%
Change in retail spending YE June	\$174.8m
Change in Guest nights (YE May 2017)	51,799
Net international migration (YE Jun 2017)	126
Demography – change in population aged over 65 (StatsNZ 2016)	5,100; 17.1%
Dependency ratio	61.2%
Beneficiaries as proportion of working population	9.2%
Annual average beneficiary numbers	1610
Youth unemployment (MSD)	184
Māori unemployment	9.7%

# 2.0 Supporting Strategies and Frameworks

## COUNCIL VISION / COUNCIL OBJECTIVES

Alongside the collaborative efforts of Council, community and partners to achieve the economic goals of our community, this economic development strategy will support and be supported by a range of strategies and plans, both internal and external to Council. The strategic framework outlines the interrelationships between Council strategy and the actions of partners, and the strategy and objectives of Regional and Central Government.

### Manawatū District Council Strategic Framework



# Key External Strategy

In July 2015, the Ministry for Primary Industries and the Ministry of Business, Innovation and Employment released a Regional Growth Study for Manawatū -Whanganui. The study focused on opportunities to:

- unlock productivity,
- employ underutilized resources, and
- build on existing regional comparative advantage.

The study has formed the basis for the implementation of an Action Plan under the banner of Accelerate25 with the goal to increase job opportunities and quality of life in the Manawatū -Whanganui region by connecting people, business, Iwi and our environment.

The action plan identifies nine opportunities for developing the regional economy in addition to four enablers that will support our region to progress in identified areas of comparative advantage. While our strategy focuses on the outstanding attributes of the Manawatū District, the enablers outlined under Accelerate25 – Growing Business, Skills and Talent, Distribution and Transport, Digital Connectivity –will further support our ability to reach our economic goals and contribute to the wider prosperity of the Manawatū -Whanganui Region.

Making the most of the opportunities presented under Accelerate25 means working together with Central Government and our regional partners to maximize our economic potential. Hence, as both a supportive platform for the pursuit of economic prosperity within our District and an opportunity to contribute to regional collective action, the Manawatū District Council is committed to action under the banner of Accelerate25 for the well-being of our District and the wider region.



## 3.0 A view of the future - A SWOT analysis

The Manawatū District economy is currently performing well. The local economy however does not operate in isolation. Changes in regional, national and international economic markets and political circumstances influence our local economic performance. For example fluctuations in the international demand for agricultural commodities like dairy products or meat, directly impact on the incomes of local primary producers which in turn impacts on the demand for goods and services from business within the local economy.

Hence, while the pace of growth is strong, it is important to be aware of challenges alongside recognizing and putting actions in place to capitalize on our strengths and opportunities.

The analysis below highlights the district's key strengths, weaknesses, threats and opportunities as they relate to economic development.

### Strengths

- Strong networks of community committees supporting community led action specific to place
- Relationship with the growing and dynamic city of Palmerston North – a source of employment, research and innovation, specialised services, retail and recreation opportunities as well as education
- Centrally located – within the catchment of 1 million people within three hour drive
- Well-maintained and reliable transport
- Strong education, training and research base easily accessible by resident population and businesses
- Natural resources – large area of grasslands, fertile lands and two important rivers
- Strong Māori heritage and culture
- Good lifestyle and easy living – no traffic congestion, good schools and low accommodation costs
- Quality social and physical infrastructure and the availability of land to support a range of economic activities
- Adding value – access to agricultural/ food research, innovation and technology supports expansion and diversification of our agribusiness sector.

### Weaknesses

- The level of dependence on the primary sector heavily exposed to global demand and supply conditions
- Defence jobs are a considerable part of the district's employment but vulnerable to political and budgetary decisions made outside of the region
- Uncertainty around the future of the Manawatū Gorge on SH3 impacting on freight costs to Tararua Region and the Hawkes Bay
- The lack of international routes operating from Palmerston North airport might be an impediment to attracting foreign investment to the region
- The district has a variable environmental record - loss of much of the area's indigenous habitat and degradation of water quality - albeit major investments have been made to improve the water quality of the Manawatū river
- Firms in the district tend to be of small size and consequently are less likely to engage in innovation and research and development

## Opportunities

- Leveraging on our outstanding attributes of Infrastructure, Land and Location
- Engaging in higher-value economic activities – a strong resource base linked to a buoyant local research and innovation system offering opportunities for enterprises to engage in higher value production.
- Core opportunities related to value added food processing and agriculture, and leveraging off current successful export earners
- Growing the logistics and distribution sector - large catchment and good infrastructure are a strong foundation for a stronger role as a distribution hub
- Future Iwi settlements provide opportunity for investment in productive assets in the district to achieve shared outcomes
- Growing niche tourism - while of limited scale in the Manawatū district, has potential to be further developed, with area promotion such as “the country road”, as well as products development, such as farm tourism as part of a farm income diversification strategy
- Opportunity for RNZAF Base at Ohakea to absorb Whenuapai airbase to become the largest Air Force base in New Zealand
- The quality of facilities at Ohakea Air Base create opportunities to attract foreign defence force training activities and investment
- E Commerce distribution hub/Digital logistics hub

## Threats

- A biosecurity breach would expose our primary sector to considerable costs, and loss of income and reputation. Sensitivity of retail spending to the performance of our primary industry implies widespread economic losses to the District
- The district could also suffer reputation damage if it failed to address water quality issues
- Climate change may impact on food production as droughts and rainfall events become more common
- A cut in the public sector budget could lead to down-sizing and impact on the local economy
- A lack of collaboration between local firms and Palmerston North research and innovation institutes and failure to adopt new technologies
- Perceived lack of succession planning for small to medium enterprises
- Employment may decline as farming practices become more capital intensive
- Lack of suitable resources – land and labour – to cater for business expansion would undermine potential growth in the economy, as would a failure to up-skill the population

Alongside building on our strong economic base, our focus on growing business and employment, and skills and capability seeks to address the above identified weaknesses and threats. Through capitalizing on partnerships, external strategies and frameworks, and associated funding and investment opportunities, our actions aim to support the sustainability of the local economy.

Identification of weaknesses and threats to our economy promotes additional opportunities to support the sustainability of our important primary industries.

# 4.0 Biosecurity and the Environment

Highlighting the significance of our natural environment, the primary sector in the Manawatū District accounts for 21% of our Gross Domestic Product and provides 19.6% of total employment. Our natural environment is also intrinsic to the well-being of our communities, providing outstanding lifestyle and recreational opportunities in addition to attracting visitors and providing tourism opportunities to the people of Manawatū. Hence, the significance of protecting our biosecurity and natural environment cannot be overstated.

The Ministry of Primary Industries (MPI) is committed to ensuring that our already strong system continues to protect New Zealand against pests and diseases.

Through the strategy 'Biosecurity 2025' MPI sets out its ten-year plan to increase protection to New Zealand from the dire consequences of a breach to biosecurity. As below, MPI highlights the need for action at all geographical levels:

Level	Responsibility	WHO
GLOBAL	Managing risk offshore, developing international standards and rules, trade and bilateral agreements, monitoring emerging risks, setting import health standards	MPI, NZTE, global community
NATIONAL	Intercepting biosecurity risks at the border, verifying compliance with the rules, national readiness, surveillance, response and management	Border control, MPI, NZTE, New Zealand customs, Maritime border control
REGIONAL	Eradication, containment and control of pests and diseases within and between regions	Regional Council, MPI
LOCAL	Protecting the places we value – New Zealanders monitoring and managing their own biosecurity risk	4.7m New Zealanders

While the response of Central and Regional Government and scientific research in the field is essential, all New Zealanders have a role to play in protecting the places we value.

As such, promoting the education and management of biosecurity risk at the local level is highlighted as an area for further investigation, alongside continued commitment to environmental management of our land and waterways under the Horizons One Plan and the Manawatū River Accord.





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