



## **Manawātū Region Annual Employment Report 2018**

### **Overview**

The rate of employment growth in the Manawātū region in the year to February 2018 was slightly weaker than the average for New Zealand but the rate of growth for the region is continuing to improve. Most economic indicators point to much stronger growth in the year to February 2019, due to a significant growth in construction activity in the region. There were 1,700 additional jobs in the region in February 2018 compared with February 2017, an increase of 3.0%. National job numbers increased by 3.2%.

Earnings (salaries, wages and self-employment income) in the Manawātū region in the year ended March 2017 were \$3,308 million, an increase of 4.6% from 2016 (\$145 million increase). National incomes increased by 5.3% over the same period. Income from salaries and wages in the region rose by 3.7% in the year to March 2017 while income from self-employment increase by 10.3%. The strong growth in self-employment income is likely to be mostly due to the improved dairy payout for the 2016/17 season.

The latest Infometrics estimates suggest the unemployment rate for Manawātū region residents aged 15 years and over in the region averaged 5.3% over the year ended September 2018 compared with 4.3% for New Zealand. The estimated unemployment rate for Manawātū District over the year to September 2018 was 4.0% and 5.6% for Palmerston North. Ministry of Social Development (MSD) job seeker benefit numbers in the region increased by 11.3% in the year to September 2018 while national job seeker benefits increased 7.4%.

### **Employee Numbers**

Annual employment data for February 2018 shows there were 58,900 jobs in the Manawātū region, an increase of 1,700 jobs from February 2017 (3.0% increase). National employment increased by 69,800 jobs in the year to February 2018, an increase of 3.2%.

Data for the individual local authorities in the region shows that in February 2018 there were:

- 9,000 jobs in Manawātū District, an increase of 100 jobs (1.1% increase) from February 2017.
- 49,900 jobs in Palmerston North, an increase of 1,600 jobs (3.3% increase) from February 2017.

The employee count for Palmerston North should be more than 50,000, but Ezibuy staff are currently missing from the employee count. Revised employee counts will not be published until October 2019

Sectors which contributed most to the increase in the number of jobs between 2017 and 2018 were education and training (540 jobs), construction (460 jobs), public administration

and training (280 jobs), retail (280 jobs) and logistics (260 jobs). Health care and social assistance sector jobs declined (300 jobs) in allied healthcare services and social assistance services, both sectors with high shares of part-time and casual workers. There was also a transfer of jobs from the childcare sector, which is in the health care and social assistance sector, to early childhood education, which is in the education sector.

Over the period from 2000 to 2018, total employment in the region increased by 28.9%, with 13,200 more jobs in 2018 compared with 2000. The public administration and safety accounted for the largest share of the increase in employment, with 2,570 more jobs at the end of the 18-year period, an increase of 63%. Other significant contributors were healthcare and social assistance (2,370 jobs increase, 43% increase), logistics (2,150 jobs, 55% increase), construction (1,880 jobs increase, 78% increase), education and training (1,260 jobs increase, 23%) and retail (1,160 jobs increase, 15% increase).

Three sectors recorded declines in employment between 2000 and 2018; manufacturing (50 jobs decline, 1% decline), electricity, gas, water and waste services (37 jobs decline, 14% decline) and information media and telecommunications (470 jobs decline, 45% decline).

<b>Manawatū region employment change</b>					
Industry sector	February 2018	2017 - 2018 change		2000 - 2018 change	
		Number	%	Number	%
Agriculture, Forestry and Fishing	2,190	150	7.4%	380	21.0%
Mining	31	0	0.0%	13	72.2%
Manufacturing	4,800	-50	-1.0%	-50	-1.0%
Electricity, Gas, Water and Waste Services	235	14	6.3%	-37	-13.6%
Construction	4,300	460	12.0%	1,880	77.7%
Retail	8,900	280	3.2%	1,160	15.0%
Logistics	6,070	260	4.5%	2,150	54.8%
Information Media and Telecommunications	570	-5	-0.9%	-470	-45.2%
Financial and Insurance Services	840	30	3.7%	35	4.3%
Rental, Hiring and Real Estate Services	890	100	12.7%	275	44.7%
Professional, Scientific and Technical Services	3,060	-10	-0.3%	530	20.9%
Administrative and Support Services	2,700	-80	-2.9%	590	28.0%
Public Administration and Safety	6,670	280	4.4%	2,570	62.7%
Education and Training	6,840	540	8.6%	1,260	22.6%
Health Care and Social Assistance	7,850	-300	-3.7%	2,370	43.2%
Arts and Recreation Services	1,000	30	3.1%	225	29.0%
Other Services	2,050	0	0.0%	480	30.6%
<b>Total</b>	<b>58,900</b>	<b>1,700</b>	<b>3.0%</b>	<b>13,200</b>	<b>28.9%</b>

Source: Statistics New Zealand

## Incomes

Statistics New Zealand data for incomes from salaries and wages and self-employment by industry sector has recently been released for the year ended March 2017. The data is drawn from monthly employer payroll records supplied to IRD and IR3 tax returns for the self-employed. There is an 18-month lag before the data is published so the latest information we have is for 2017.

The data shows that total earnings in the Manawatū region in the year ended March 2017 were \$3,308 million, an increase of 4.6% from 2016 (\$145 million increase). National

incomes increased by 5.3% from the previous year. Income from salaries and wages in the region rose by 3.7% in the year to March 2017 while income from self-employment increased by 10.3%. The high growth in self-employment income is mostly due to the improvement in the dairy payout.

The main contributors to the \$145 million earnings growth in the year to March 2017 were:

- Agriculture, forestry and fishing sector, \$16.7 million increase (15.0% increase),
- Health care and social assistance, \$18.4 million increase (4.5% increase),
- Construction, \$24.6 million increase (10.0% increase),
- Professional, scientific and technical services, \$14.2 million increase (5.5% increase),
- Confidential sectors (mining, construction, information media and telecommunications, public administration and safety services), \$27 million increase (3.9% increase).

Education sector earnings declined by \$1.7 million in the year to March 2017, a decline of 0.5%.

<b>Annual Earnings for the Manawatū Region (salaries, wages and self-employment income)</b>					
Industry sector	Year to March 2017 (\$m)	2000 - 2017 change		2016 - 2017 change	
		\$m	%	\$m	%
Agriculture, Forestry and Fishing; and Mining <sup>(6)</sup>	128	37	40.2%	17	15.0%
Manufacturing	281	107	61.1%	7	2.6%
Logistics	362	221	156.5%	17	5.1%
Retail Sector	327	173	111.9%	11	3.6%
Financial and Insurance Services	85	43	104.2%	9	11.9%
Rental, Hiring and Real Estate Services	69	30	78.1%	9	15.5%
Professional, Scientific and Technical Services	272	152	127.9%	14	5.5%
Administrative and Support Services	101	68	204.0%	10	10.5%
Education and Training	380	154	68.1%	-2	-0.5%
Health Care and Social Assistance	431	288	201.2%	18	4.5%
Arts and Recreation Services	33	17	113.3%	1	1.9%
Other Services	105	59	127.2%	5	5.4%
Confidential <sup>(8)</sup>	734	442	151.6%	27	3.9%
<b>Total</b>	<b>3,308</b>	<b>1,778</b>	<b>116.2%</b>	<b>145</b>	<b>4.6%</b>

(1) Includes Mining, Construction, Information Media and Telecommunications, Public Administration and Safety, and Not Elsewhere Classified

Source: Statistics New Zealand

Between 2000 and 2017, total incomes in the region increased by \$1.8 billion, an increase of 116%, while national income growth was 137%. Major contributors to growth in the region were the health care and social assistance sector (\$288 million increase, 201% increase), logistics (\$221 million, 156% increase), confidential sectors (\$442 million, 152% increase), professional, scientific and technical services (\$152 million, 128% increase) and retail (\$173 million, 112% increase). While growth in the education sector was just 68% between 2000 and 2017, it still contributed \$154 million to the total increase in income. The rate of increase in the consumer price index over this time period was 45.5%.

The education sector was replaced as the largest sector in 2012 with regards to earnings. Its share of total earnings in the region has declined from 14.8% in 2000 to 11.5% in 2017. The health care and social assistance sector had total earnings of \$431 million in the year to March 2017, while the education sector had total earnings of \$380 million. The logistics sector had total earnings of \$362 million and may overtake the education sector within the next two years if current growth levels continue. Average annual earnings growth in the logistics sector was 5.7% between 2000 and 2017 while the growth rate for the education sector was 3.1%.

Data for the individual local authorities in the region shows that in the year ended February 2017:

- Annual earnings were \$567 million in Manawatū District, an increase of \$40.5 million (7.7% increase) from the previous year,
- Annual earnings were \$2,740 million in Palmerston North, an increase of \$104 million (4.0% increase) from the previous year.

Data for salaries and wages is published on a quarterly basis and is available to September 2017. Indicators from the salaries and wages series for the Manawatū region to September are:

- The number of filled jobs increased by 1.2% between September 2016 and September 2017 (3.4% increase for New Zealand)
- Total salaries and wages increased by 3.4% (5.6% increase for New Zealand)
- Average earnings from salaries and wages in the region (full quarter jobs) were \$54,761 in the year to September, an increase of 1.9% from the previous year (New Zealand increase of 2.3%, average salaries and wages of \$59,560),
- Median earnings from salaries and wages in the region (full quarter jobs) were \$48,765 in the year to September, an increase of 1.7% from the previous year (New Zealand increase of 2.2%, median salaries and wages of \$50,840),
- The average worker turnover rate in the region in the September 2017 quarter was 11.7% compared with 14.5% for New Zealand.

## Unemployment

Unemployment data for the Manawatū Region is estimated by Infometrics using Manawatū-Whanganui region data from the Statistics New Zealand Household Labour Force Survey. The latest estimates suggest the unemployment rate for residents aged 15 years and over in the region averaged 5.3% over the year ended September 2018 compared with 4.3% for New Zealand. The estimated unemployment rate for Manawatū District over the year to September 2018 was 4.0% and 5.6% for Palmerston North.

An alternative indicator of labour force trends is data on the number of people aged between 18 and 64 years receiving the Ministry of Social Development Job Seeker benefit. In September 2018 there were 3,286 people registered for the benefit in the Manawatū region, an increase of 11.3% from September 2017 (increase of 334 people). National Job Seeker benefits in September increased by 7.4% from the previous year. Job seeker numbers declined by 0.8% in Manawatū District but increased by 14.7% in Palmerston North.

<b>Number of Manawātū region residents registered for a Job Seeker benefit</b>						
	September 2016		September 2017		September 2018	
Age group	Number	Annual change	Number	Annual change	Number	Annual change
18 - 24 years	791	1.2%	816	3.2%	873	7.0%
25 - 39 years	934	6.6%	916	-1.9%	1,058	15.5%
40 - 54 years	804	1.5%	785	-2.4%	861	9.7%
55 - 64 years	464	6.4%	435	-6.3%	494	13.6%

Source: Ministry of Social Development