

# Pōneke Pulse

An economic check in for the New Year

March 2024

Absolutely Positively  
Wellington City Council  
Me Heke Ki Pōneke



# Contents

## General update following Christmas

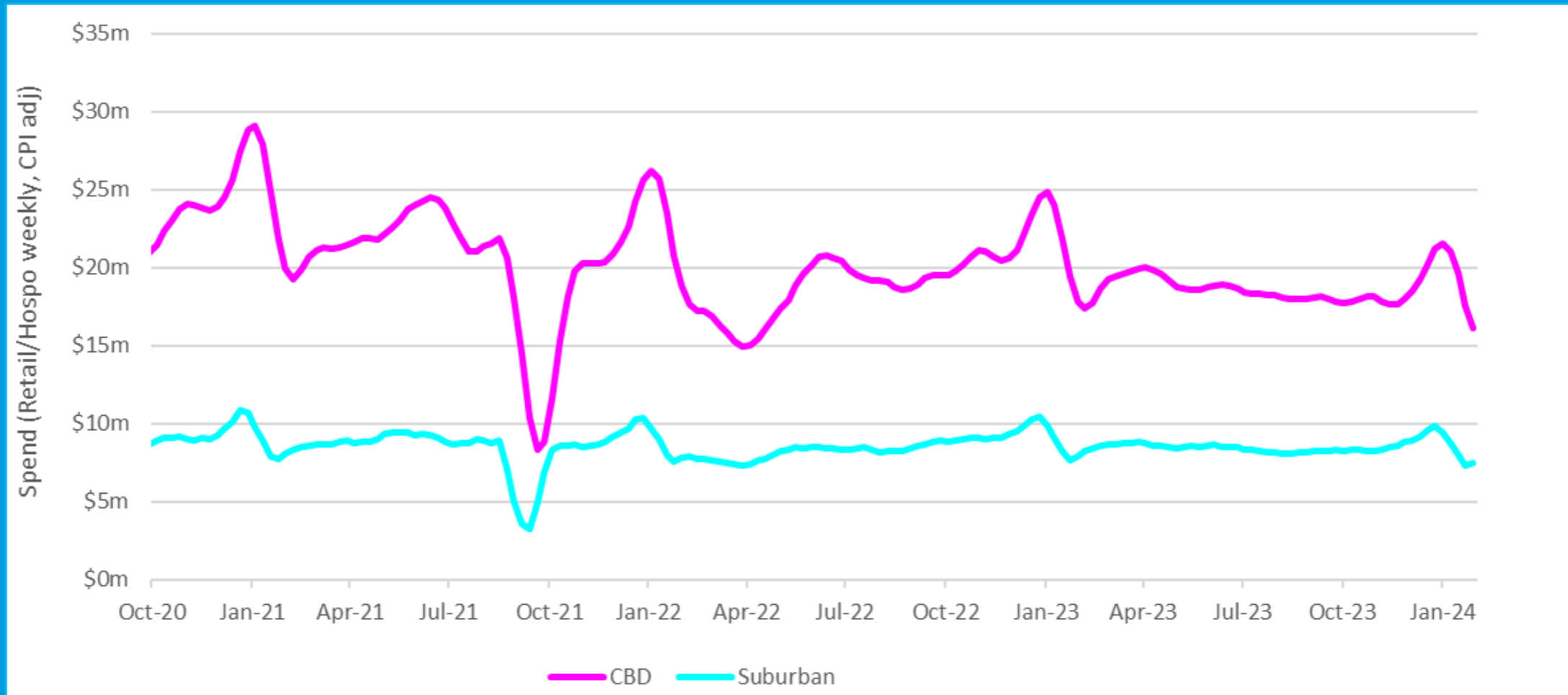
- Retail/hospo spend
- Transport loadings
- Migrant flows

## Spot-light: Changes from 2023

- New Government and likely changes to the Public Sector
- Transport corridor activity monitors
  - Pedestrian counters



# Retail/Hospo spend: inflation adjusted



Source: MarketView and RBNZ

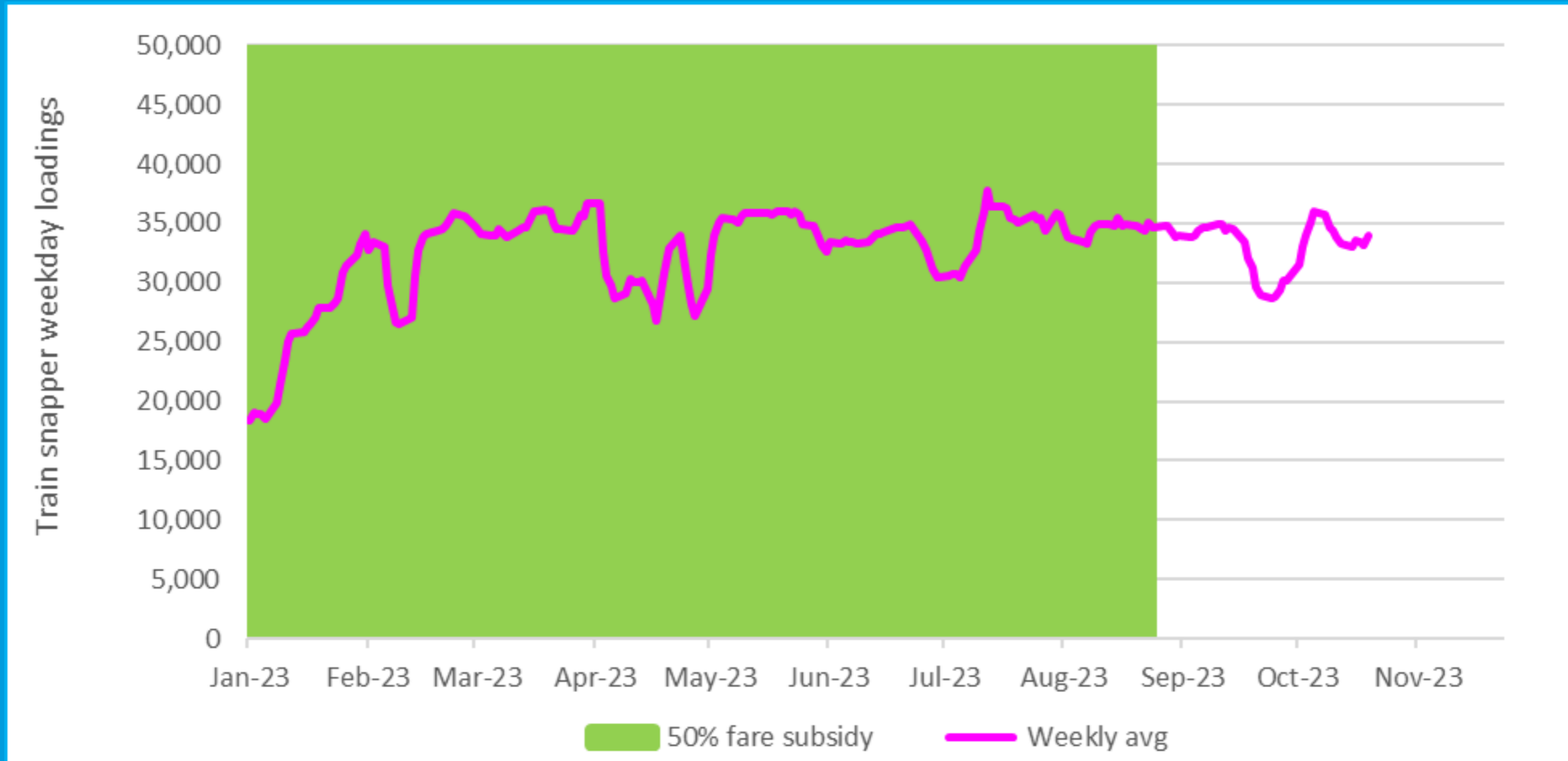
- Suburban centres see the love, CBD does not
  - CBD 14% down Dec 23 vs Dec 2022
  - Suburban 6% down Dec 23 vs Dec 2022
  - Working from home, recession, retail interest rates rising on mortgages and perhaps job uncertainty are likely causes
- Comparison TOTAL spend (Q4 2023 vs Q4 2022)

Wellington CBD	Auckland CBD	Wellington Suburban
-11%	-3%	-2%

Note: Auckland CBD consumers are different (large visitor market and less public sector)



# Train: Snapper weekday users

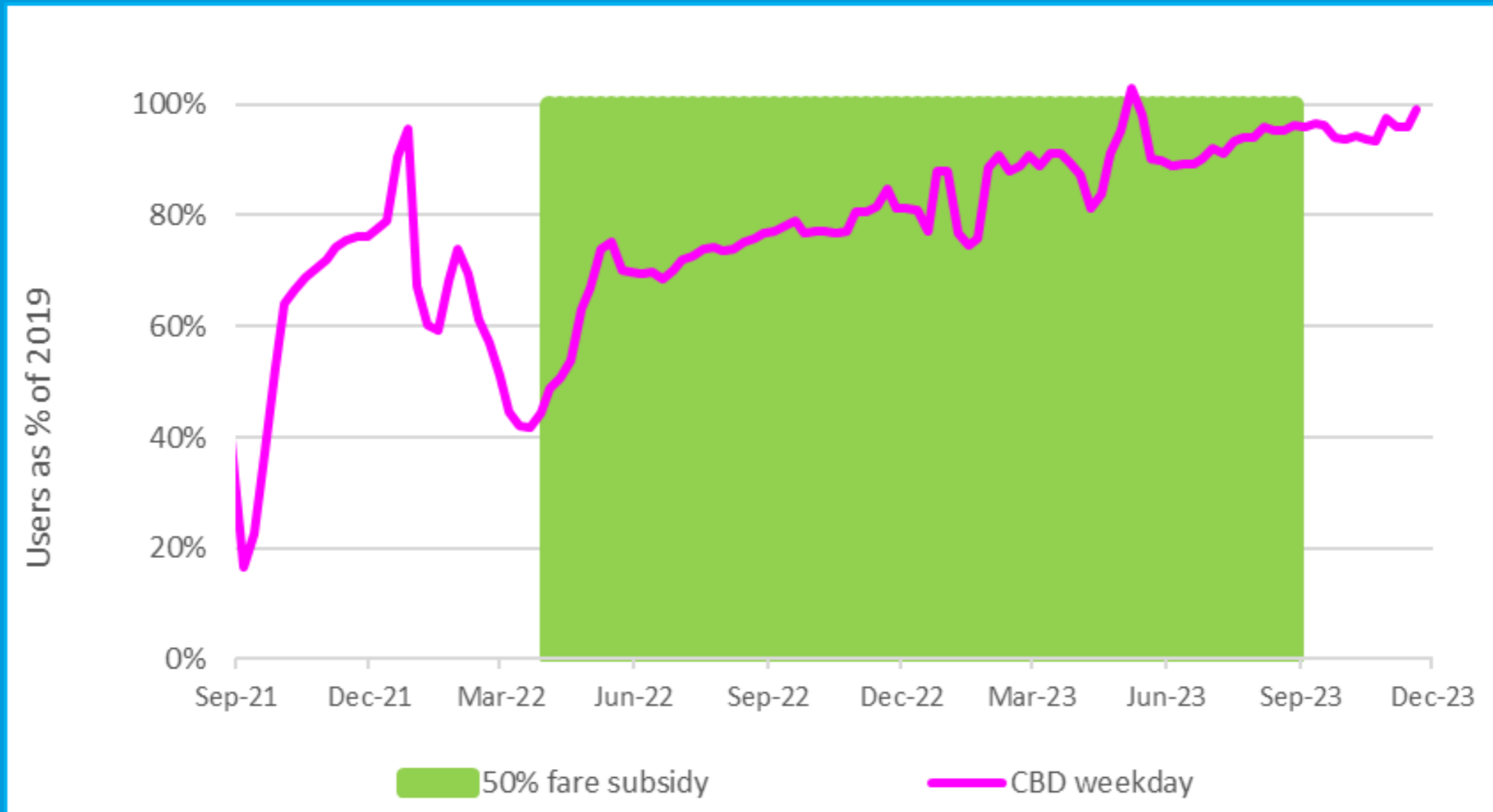


Source: Greater Wellington Regional Council

- Demand relatively stable
- Subsidy (50%) fare removal
  - Appears to be business as usual despite prices doubling



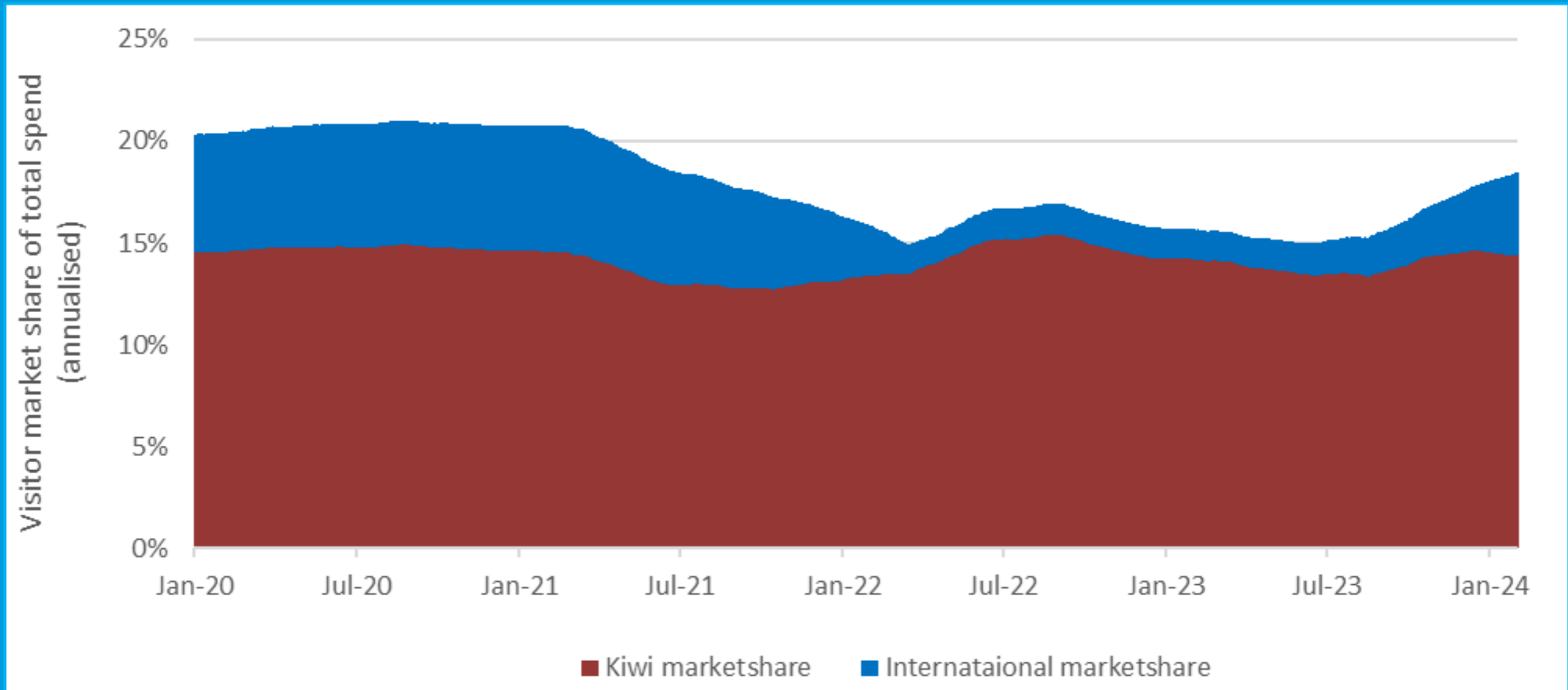
# CBD bus routes: Snapper weekday users



- Subsidy (50%) fare removal
  - Growth continues after some initial 'wobbles'
  - This is despite WfH, economic challenges and staffing issues
  - Insensitivity to price change indicates commuter need for this service



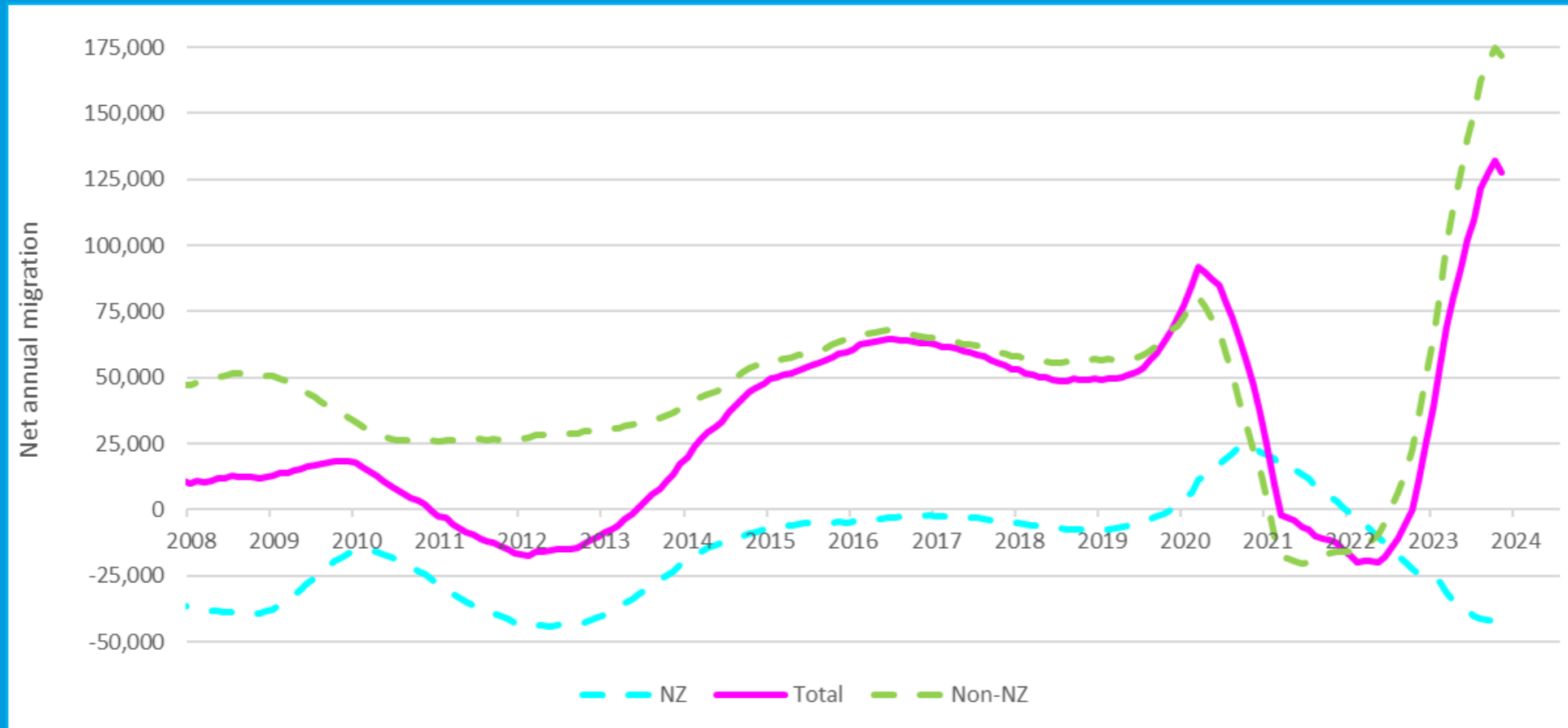
# Tourism: spend growing



- Tourism returns
  - Visitor (kiwi and international) share of consumer spend growing
    - Kiwi has traditionally dominated
  - Almost back to pre-COVID-19 levels
- International spend currently growing by 27% per annum
  - High value US arrivals



# Migration: net migration at historic high

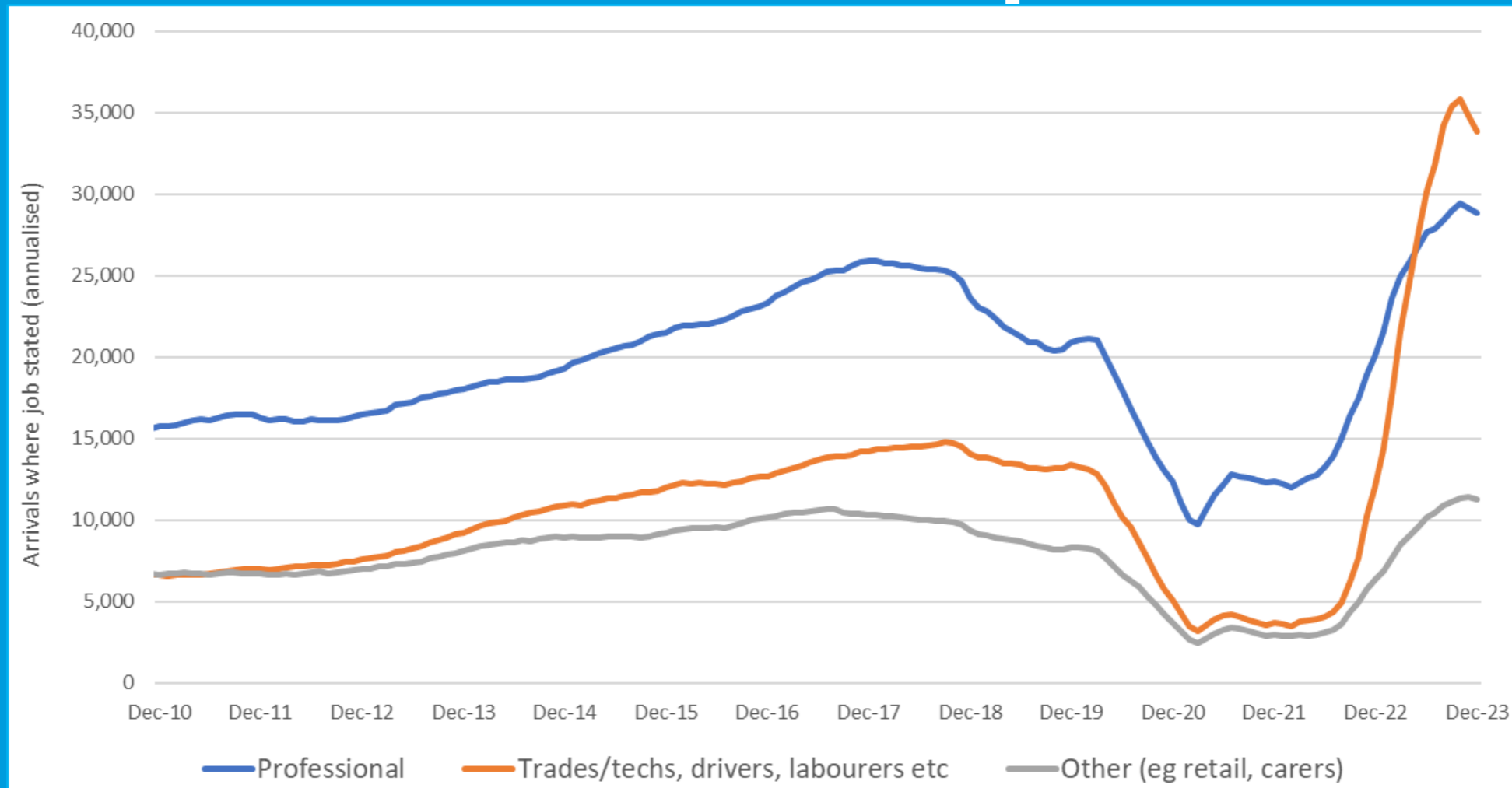


Source: StatsNZ

- Net migration at an historic high
  - Wellington City attracts fair share: 3.7% compared to pop @ 4.0%
- Kiwi exodus grows
  - Australia has traditionally attracted Kiwis
    - Higher wages, lower costs, warmer climate, despite the dangerous wildlife
    - Minerals sector remains buoyant
      - FIFO (Fly In Fly Out) jobs for Aussies and Kiwis are well paid.... If you can tolerate it
      - Fuels the wider economy (especially Iron ore)
        - Iron ore profit estimated @ \$90/Tonne for 900 million Tonnes exported in 2023



# Migration: skill mix shift post-COVID-19



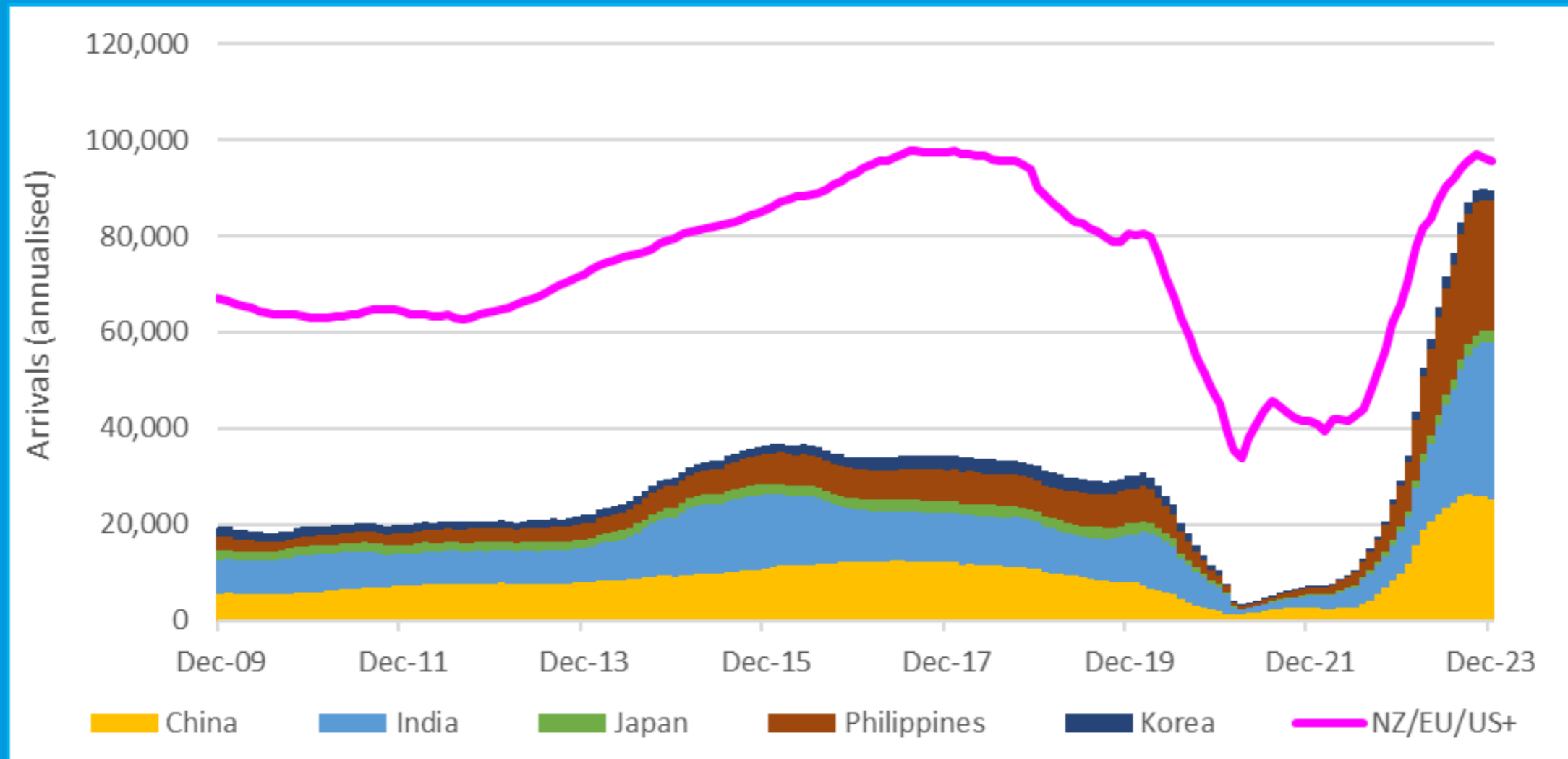
Source: StatsNZ

- Skill mix has shifted post COVID-19
  - Trades now dominate
    - Meeting need in construction and agriculture sectors
  - Traditional skills (professionals and carers etc) still in demand but no longer dominant
  - Note: high level of undefined skills in data (i.e. 60%)





# Migration: region of origin post-COVID-19



Source: Statista (subject to revision)

- Asian ascendancy
  - 50% of new migrants now from Asia; versus 25% previously
- Asian mix shift
  - Philippines risen from 'bit-player' to equal share with China and India



# Summary:

- Economic conditions
  - Interest rates high for a while
    - Wholesales rates (OCR) expected to fall in 2025
    - Spend and investment likely to remain low(ish)
  - But some export prices are recovering (dairy and horticulture)
  - In summary, current challenging conditions likely to persist for some time
- Migration
  - Solved the skills shortage BUT now demand is falling
    - Wellington attracts its fair share (on a per pop basis)
    - Supplied much needed jobs in construction, primary sector, health, tourism etc
    - But growing problems due to unemployment and business failure
  - Inflationary impact (i.e. housing) yet to be felt
  - Kiwis continue the '*great exodus*'





# New Year spotlight

## Policy changes and new technology





# Change in the Wellington environment

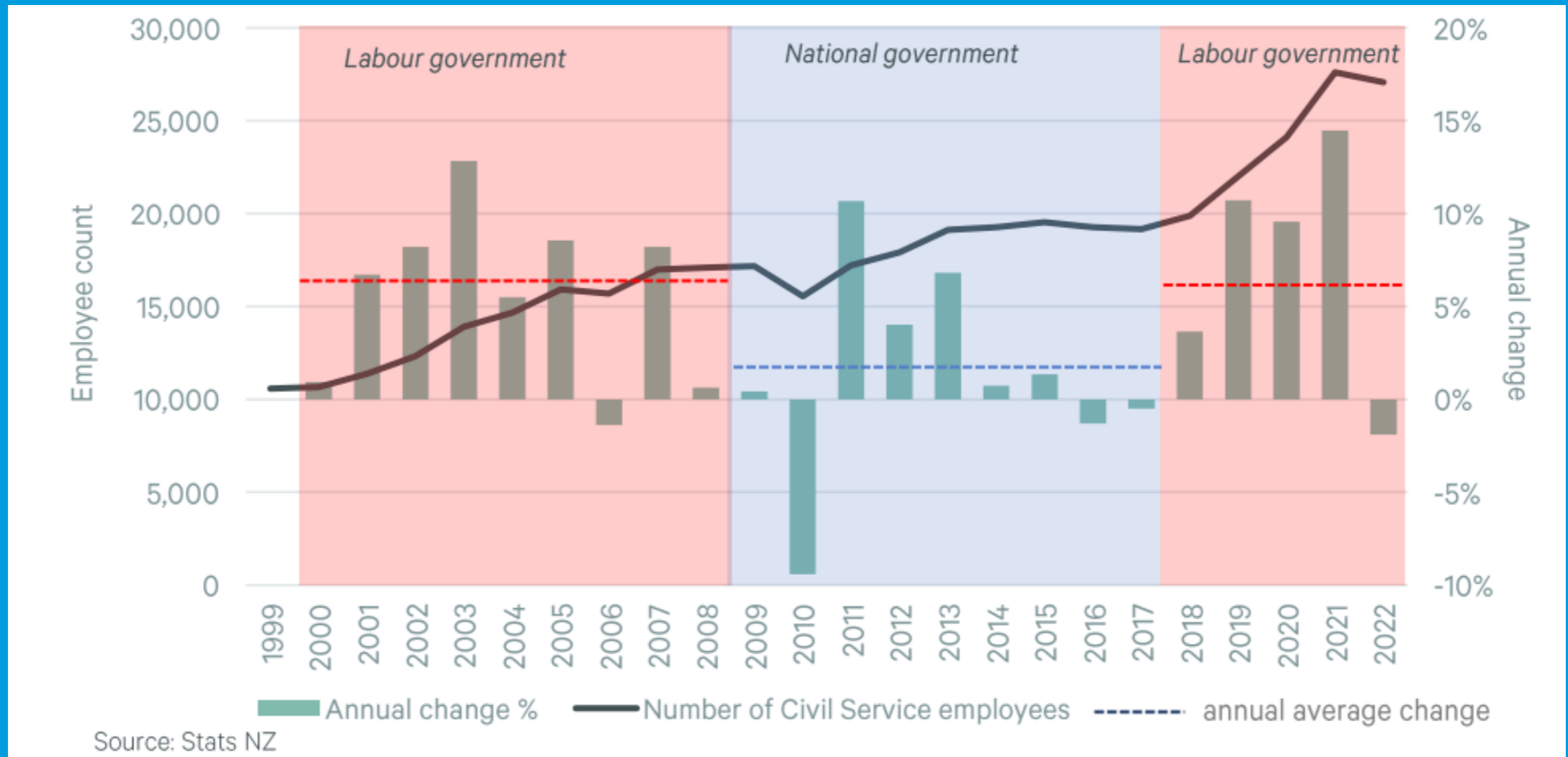
The Spotlight focuses on the change in the policy making and transport tech activity measuring environment:

- Public sector jobs
  - The rhetoric from the new Government is strong, BUT history tells a slightly different story
  - Expect a slowing of historic growth and re-distribution of jobs among public servants and contractors/consultants
- New technology
  - Pedestrian counts among others





# Public sector jobs: what history says

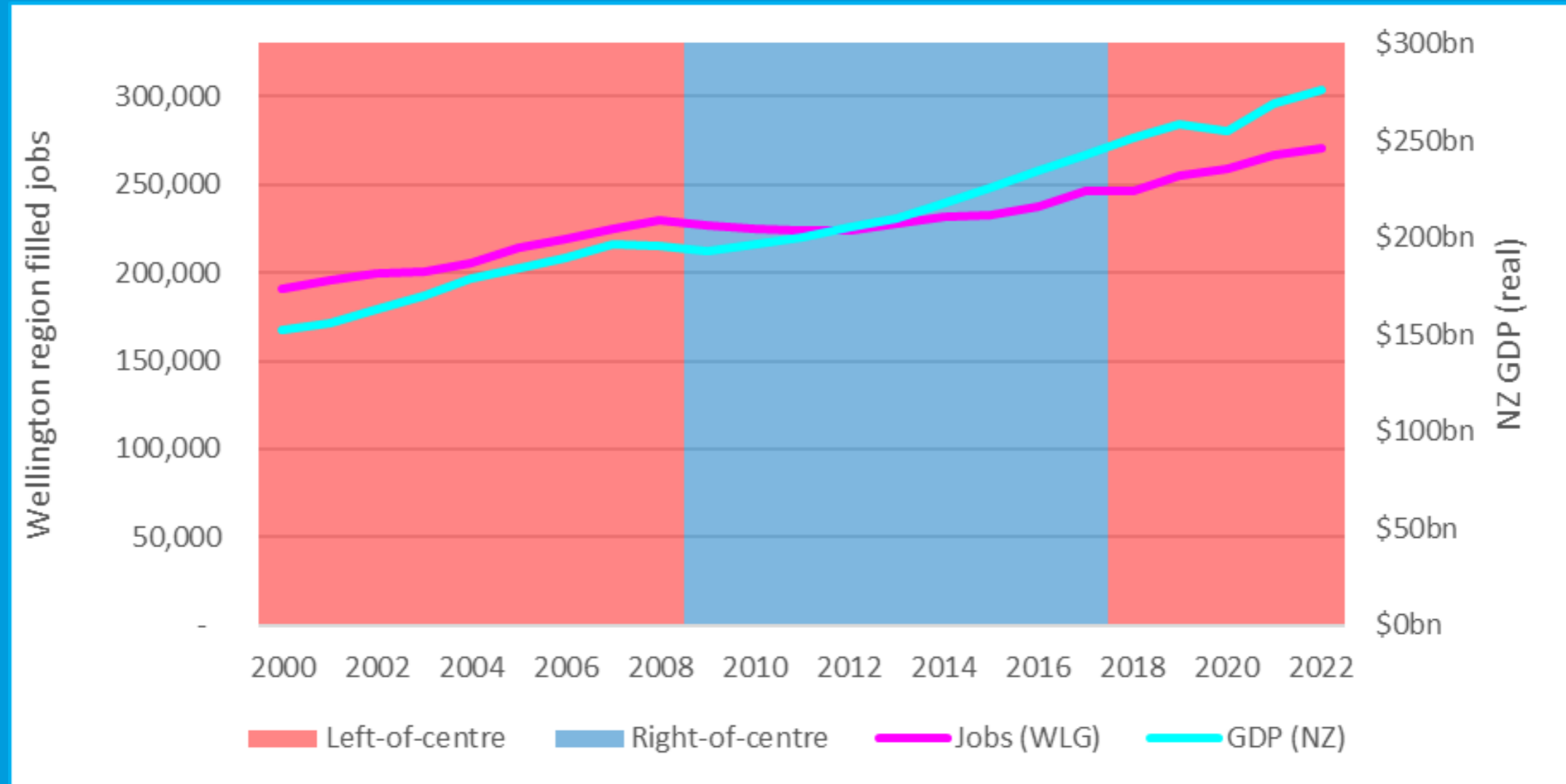


Source: CBRE using StatsNZ data

- History indicates public sector growth continues irrespective of the colours
  - Left-of-centre government (red): 6% pa growth across two governments
  - Right-of-centre government (blue): 1.5% pa growth in John Key's government



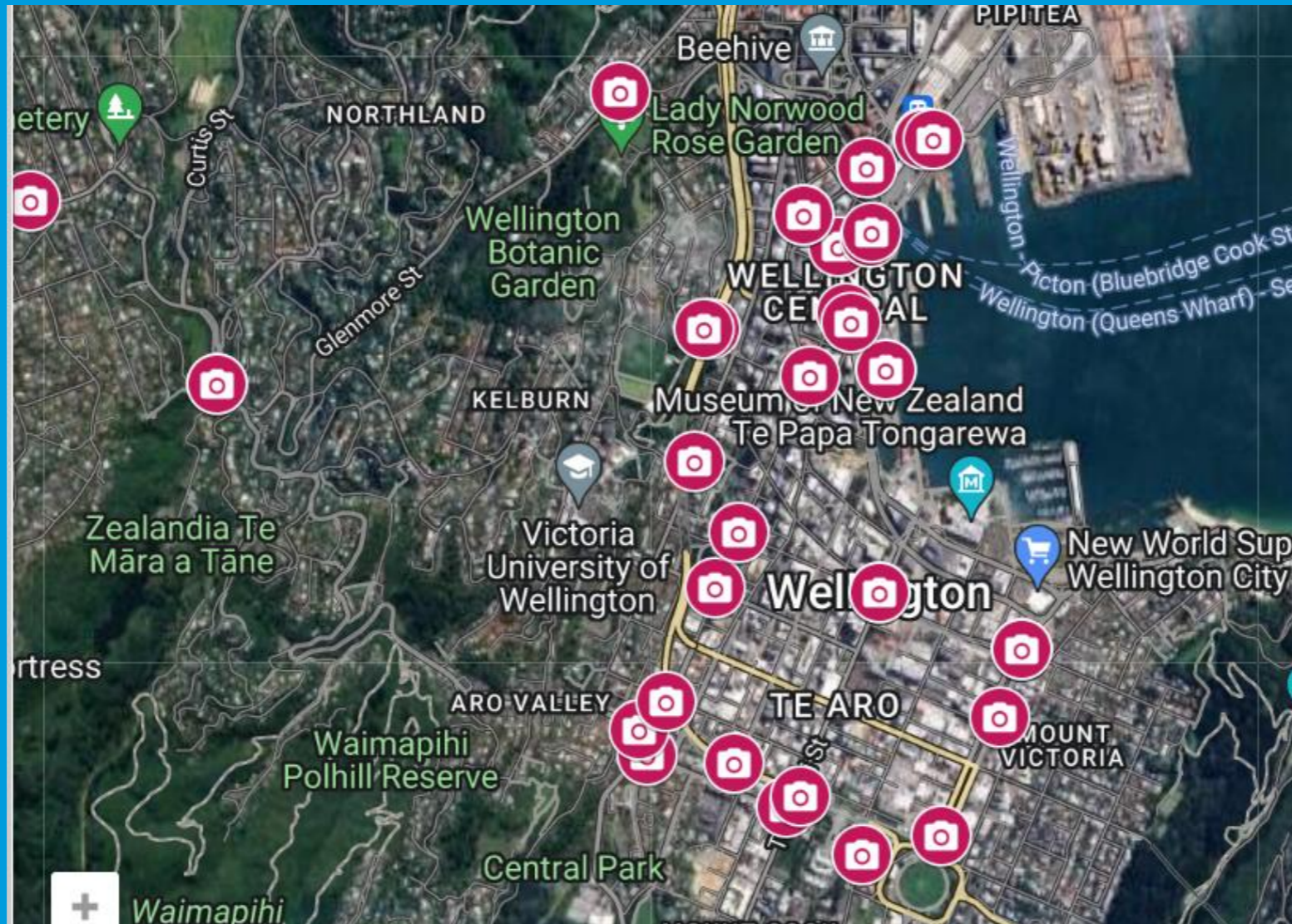
# Wellington region jobs: what history says



- History indicates regional jobs grow irrespective of the colours
  - Left-of-centre (red): 2% pa jobs growth across two governments
  - Right-of-centre (blue): 1% pa jobs growth in John Key's government
- I.e. Wellington economy tends to do better under RED than BLUE



# New Technology: activity counter locations



- Pedestrians, cyclists, and vehicles counted
- Will be used to establish baseline trends in street activity
- Augments current tools to monitor retail spend
  - Will be used to inform policy making around road layout change

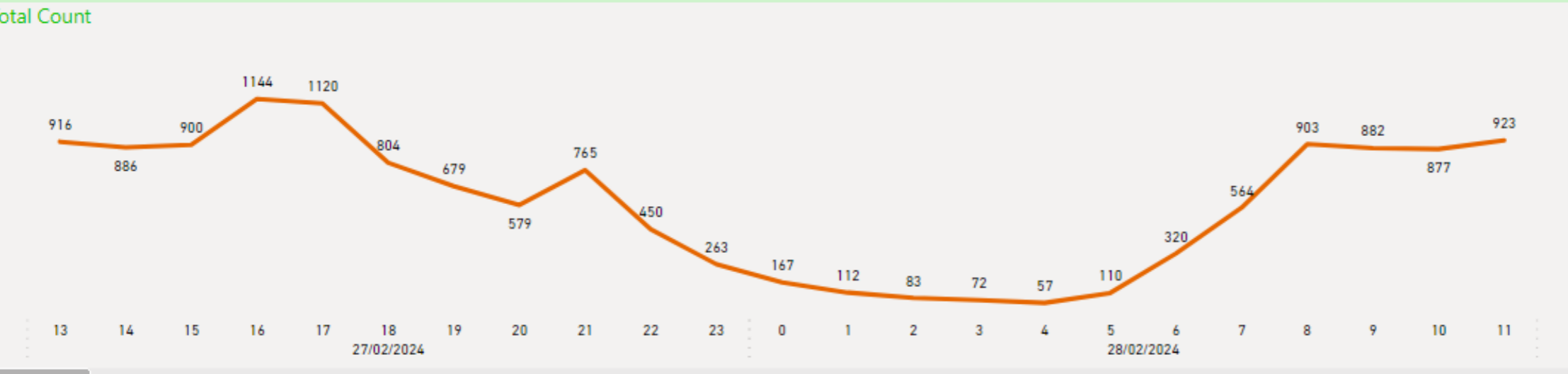




This dashboard is for **demonstration purposes** only. The totals represent what has been detected by the sensor; however, objects may have been double-counted, missing or direction incorrectly categorized. An accurate count can only be achieved by counting individual countlines.

Current Hour	Last Hour	Today	Yesterday	Last Week
Cyclist	Cyclist	Cyclist	Cyclist	Cyclist
60	312	836	2432	12390
Pedestrian	Pedestrian	Pedestrian	Pedestrian	Pedestrian
1688	9386	18156	105376	669535
Escooter	Escooter	Escooter	Escooter	Escooter
10	66	222	819	5450

Total Count



**Mode**

- car
- cyclist
- pedestrian

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**Sensor**

- Dixon Street / Manners Street
- Lambton Quay / Midland Park
- Lambton Quay / Willis Street
- Lambton Quay / Woodward Street

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Got questions or to sign up to receive Pōneke Pulse updates email:  
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