

WHANGANUI

ALL YOU NEED (AND THEN SOME)

Haere Mai



**Welcome and
opening remarks**

**Pahia Turia
Board Chair**

WHAT WE'LL COVER

- ▶ Pahia Turia
 - ▶ Intro to Whanganui & Partners
- ▶ Brad Olsen
 - ▶ Economic update
- ▶ Hannah Middleton
 - ▶ Our recent work and what's ahead

KIA ORA

WE'RE WHANGANUI
& PARTNERS

OUR STRATEGIC GOALS

- ▶ Our businesses and sectors are adapting, innovating, growing and operating sustainably
- ▶ Our workforce is skilled, engaged in lifelong learning and connected to opportunities
- ▶ Grow a resilient and sustainable food and fibre sector
- ▶ A distinguished, differentiated brand contributes to a strong reputation and experience, particularly for first-time visitors
- ▶ A strong and vibrant creative sector generates employment, grows innovation and enhances Whanganui's attractiveness

MEET

THE WHANGANUI & PARTNERS TEAM





Economic update

Brad Olsen

**Chief Executive & Principal
Economist, Infometrics**

A tougher road ahead in 2023

Whanganui & Partners Public Forum

Brad Olsen (Chief Executive and Principal Economist)

7 March 2023

**Rising global and domestic
challenges ahead**

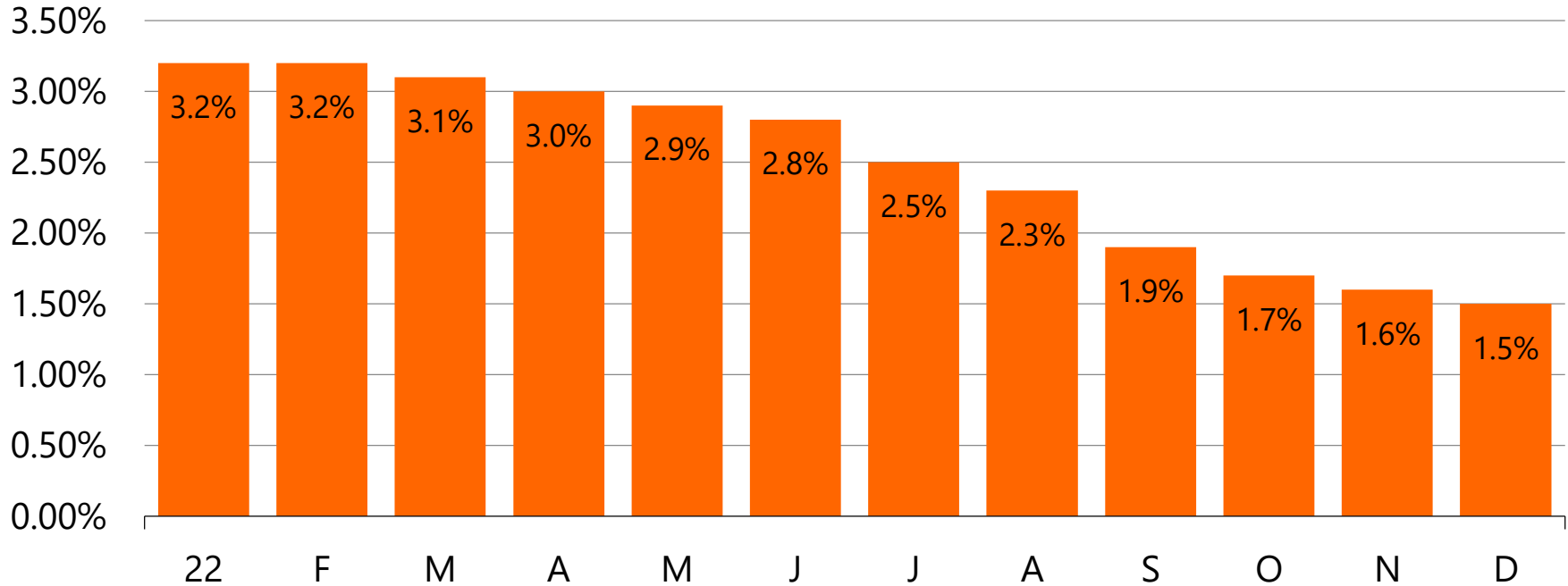
But have we cooled the jets?

Weaker global growth

Consensus growth expectations downgraded

Global growth, annual % change, forecasts over time for 2023

2023 Growth

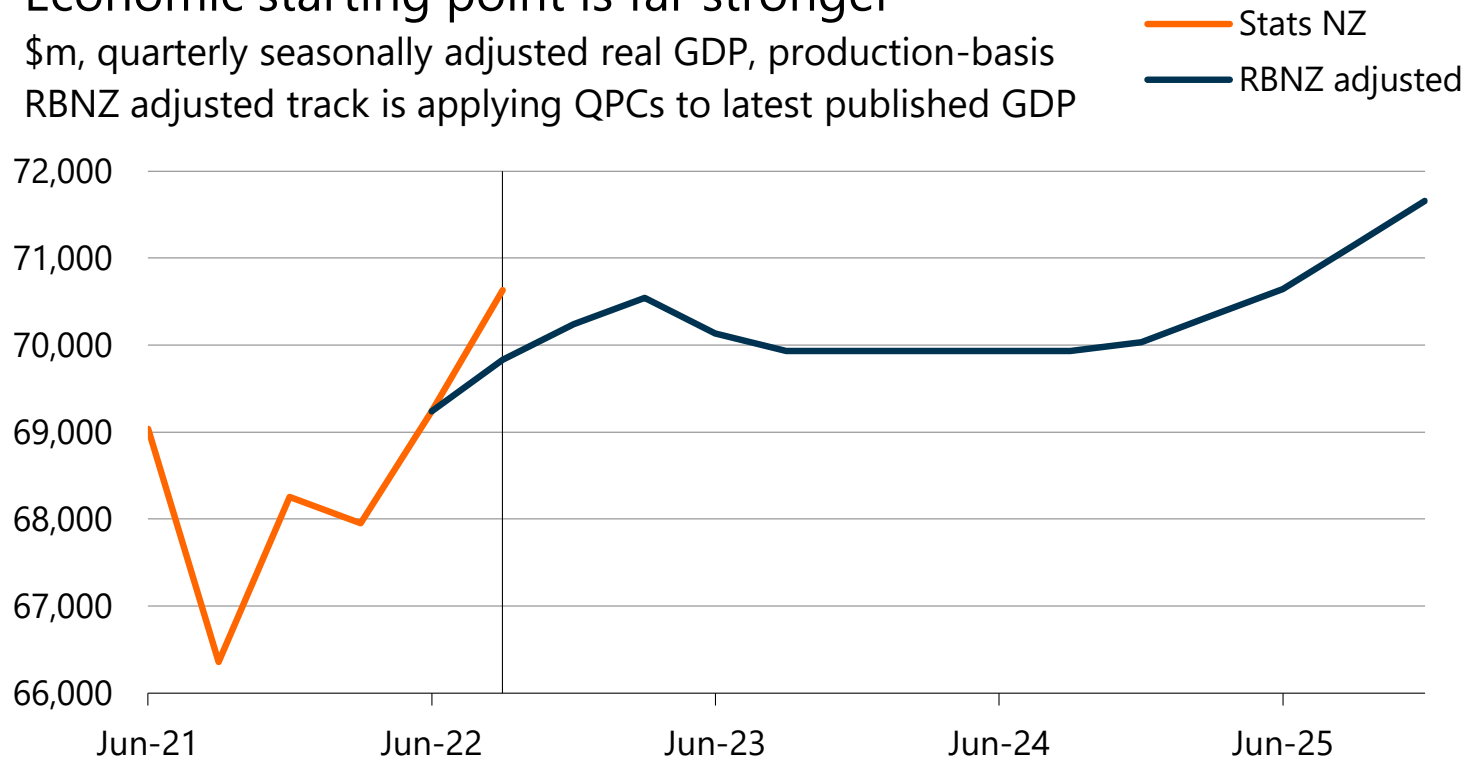


• Economic starting point is better •

Economic starting point is far stronger

\$m, quarterly seasonally adjusted real GDP, production-basis

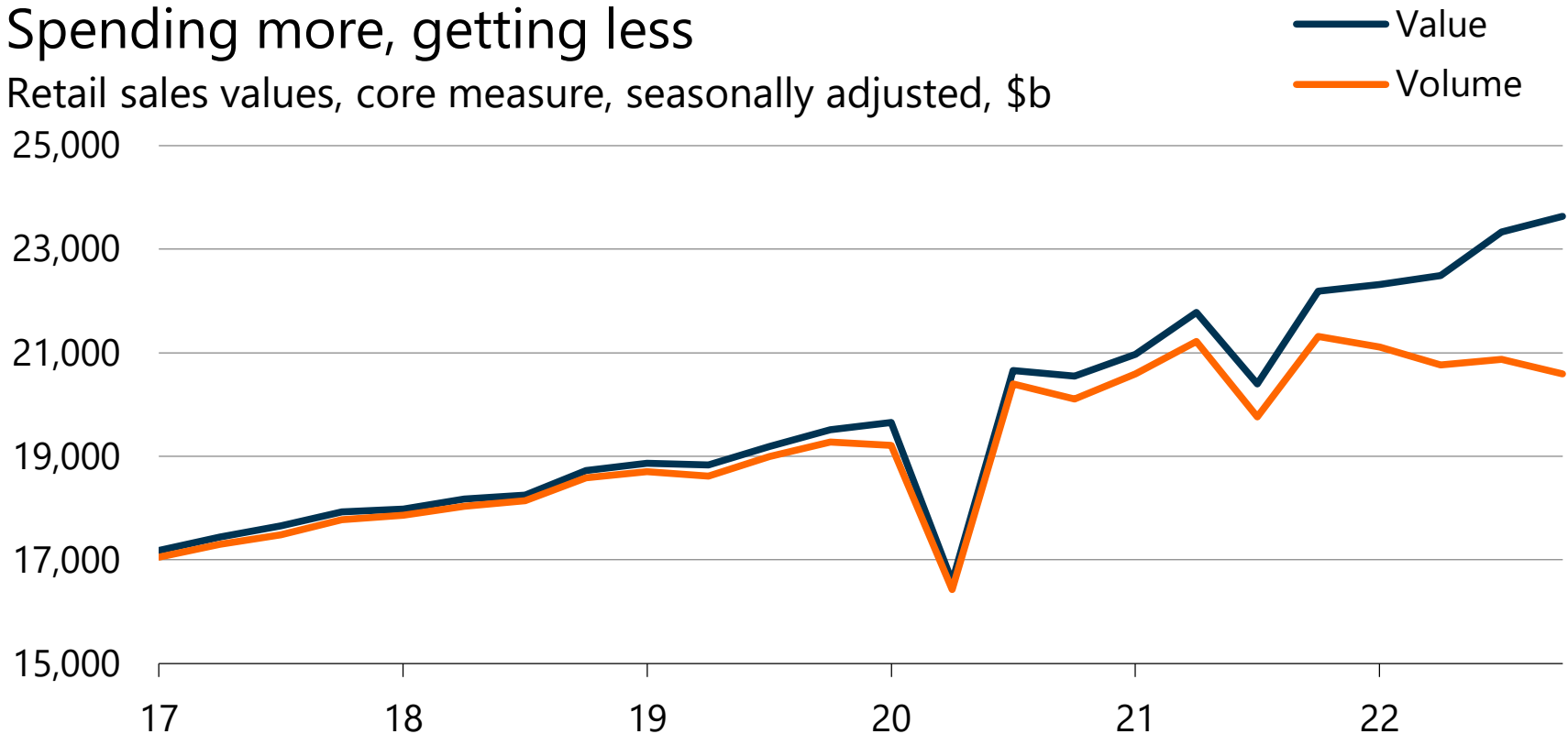
RBNZ adjusted track is applying QPCs to latest published GDP



Inflation bites

Spending more, getting less

Retail sales values, core measure, seasonally adjusted, \$b

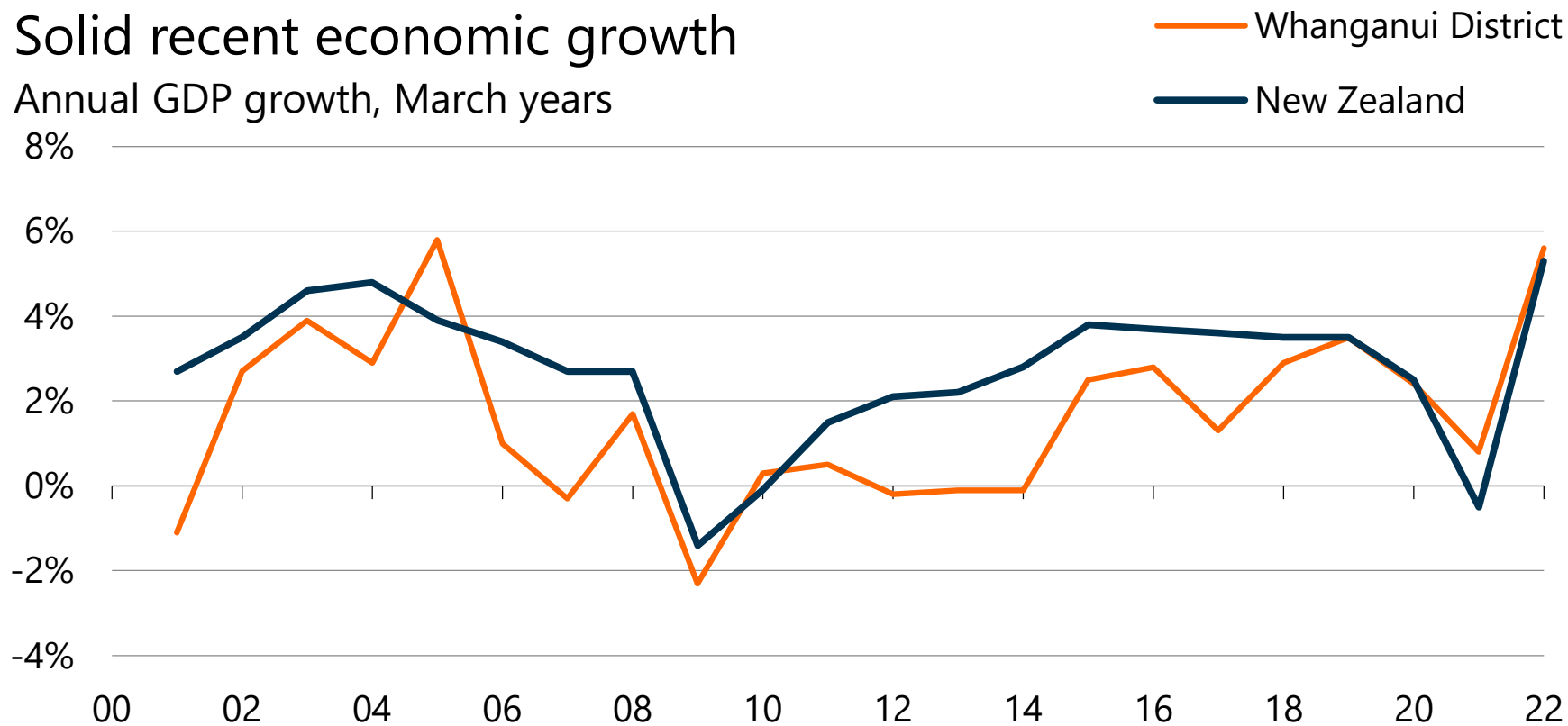


Strong local economic foundations

• Stronger run of economic activity •

Solid recent economic growth

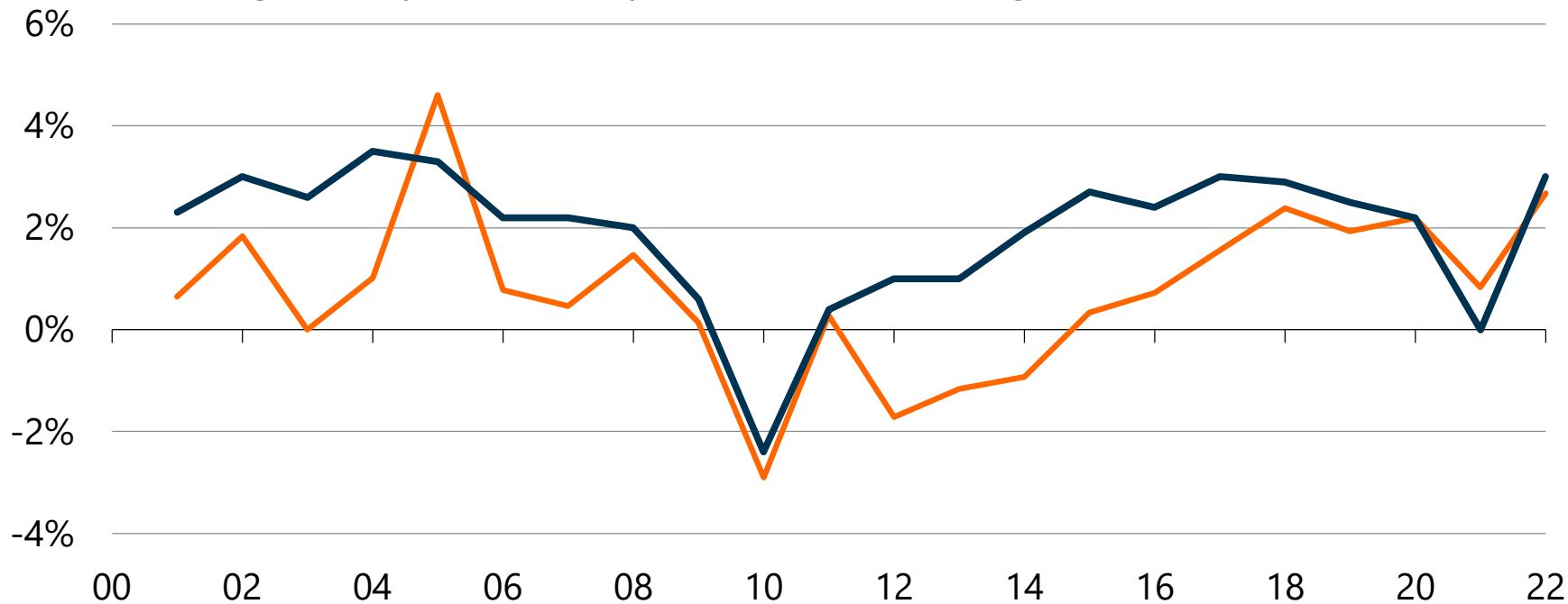
Annual GDP growth, March years



More jobs too

Robust employment increases too

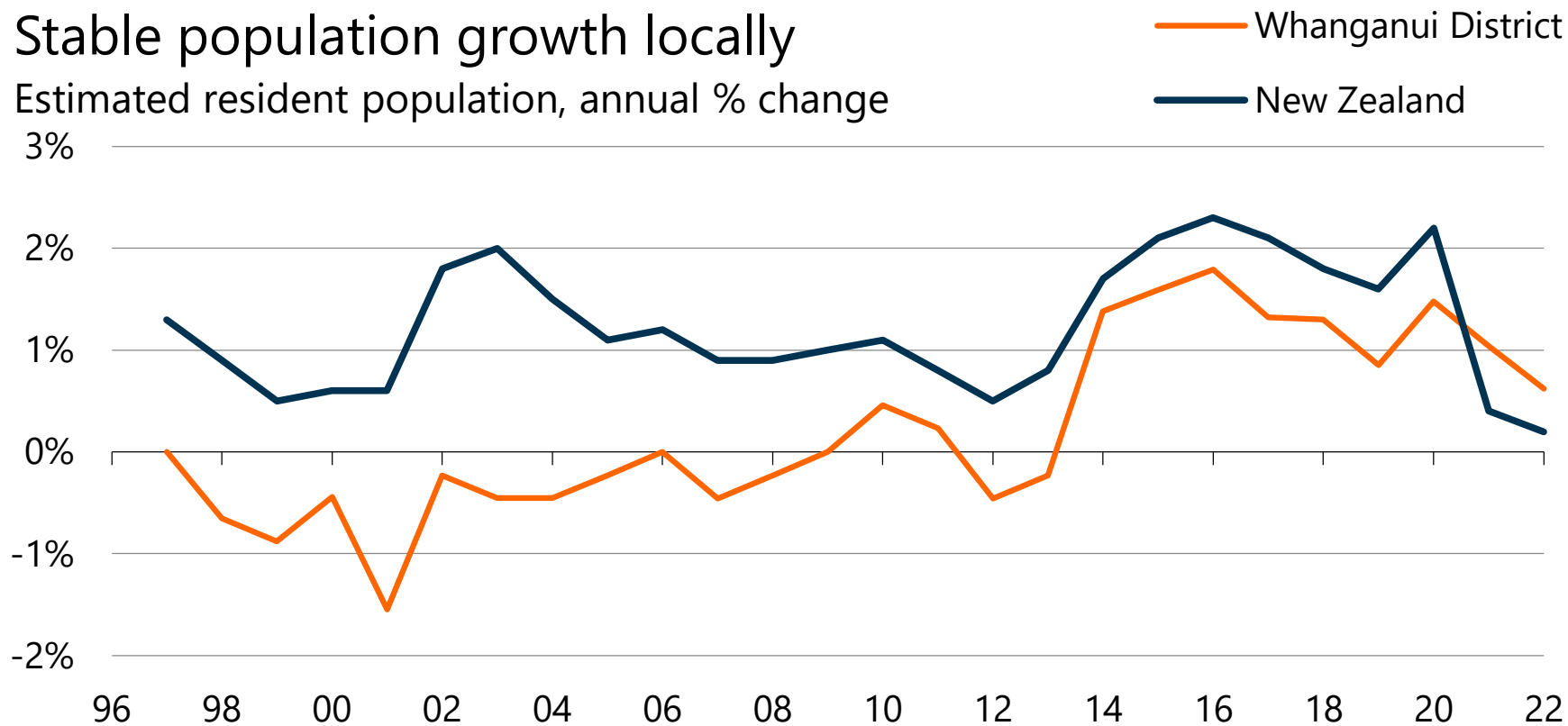
Annual average filled jobs, March years, annual % change



Population growth is stable

Stable population growth locally

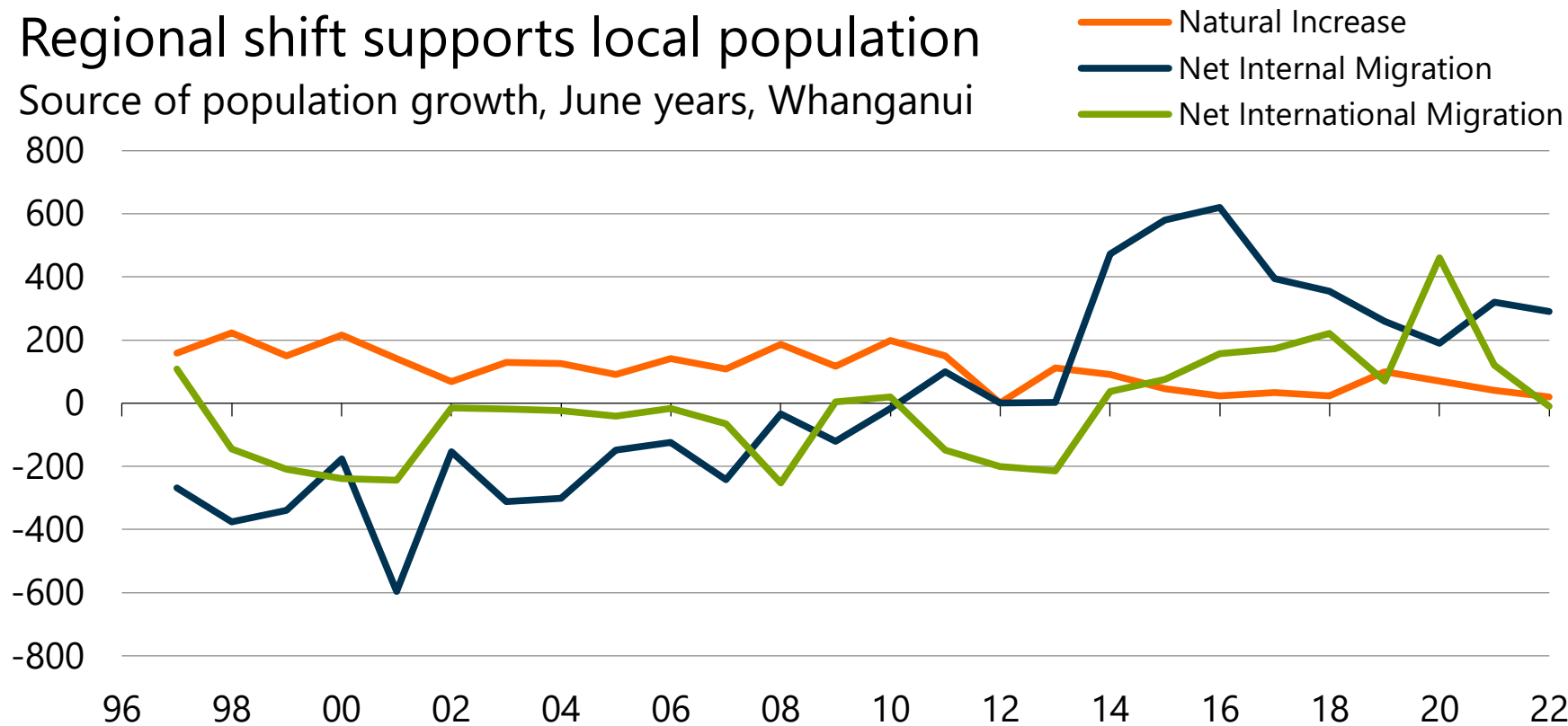
Estimated resident population, annual % change



• More people moving to the area •

Regional shift supports local population

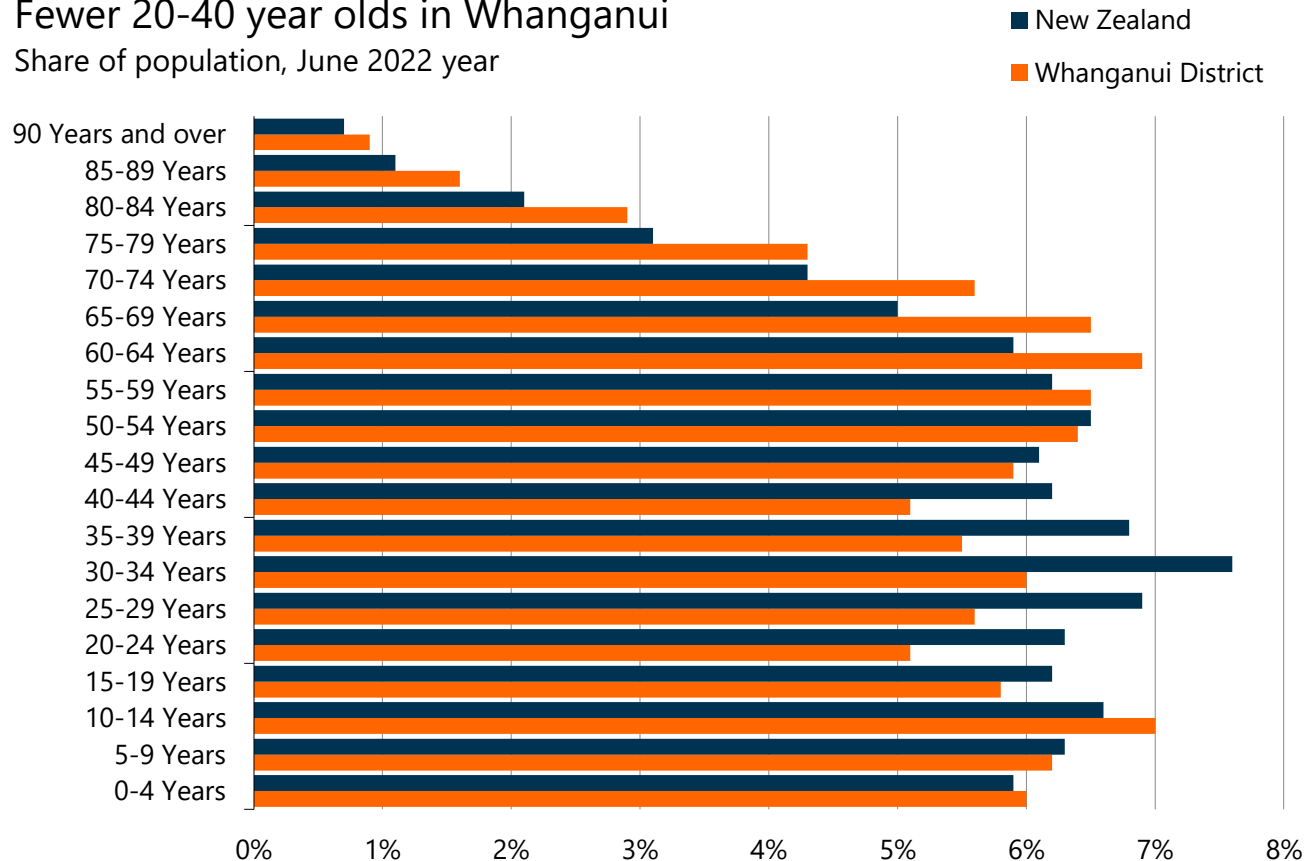
Source of population growth, June years, Whanganui



• Age structure highlights age gaps •

Fewer 20-40 year olds in Whanganui

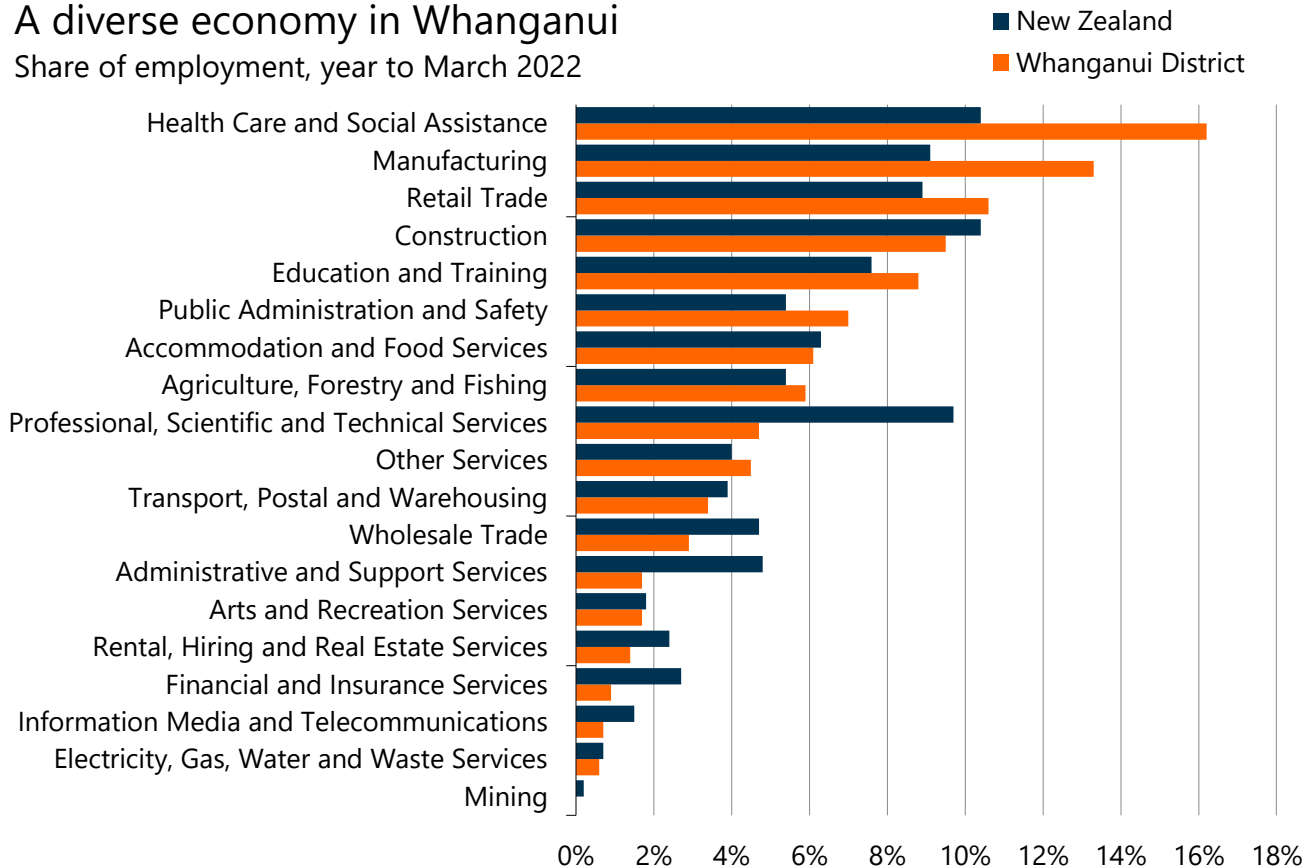
Share of population, June 2022 year



Local economic structure

A diverse economy in Whanganui

Share of employment, year to March 2022

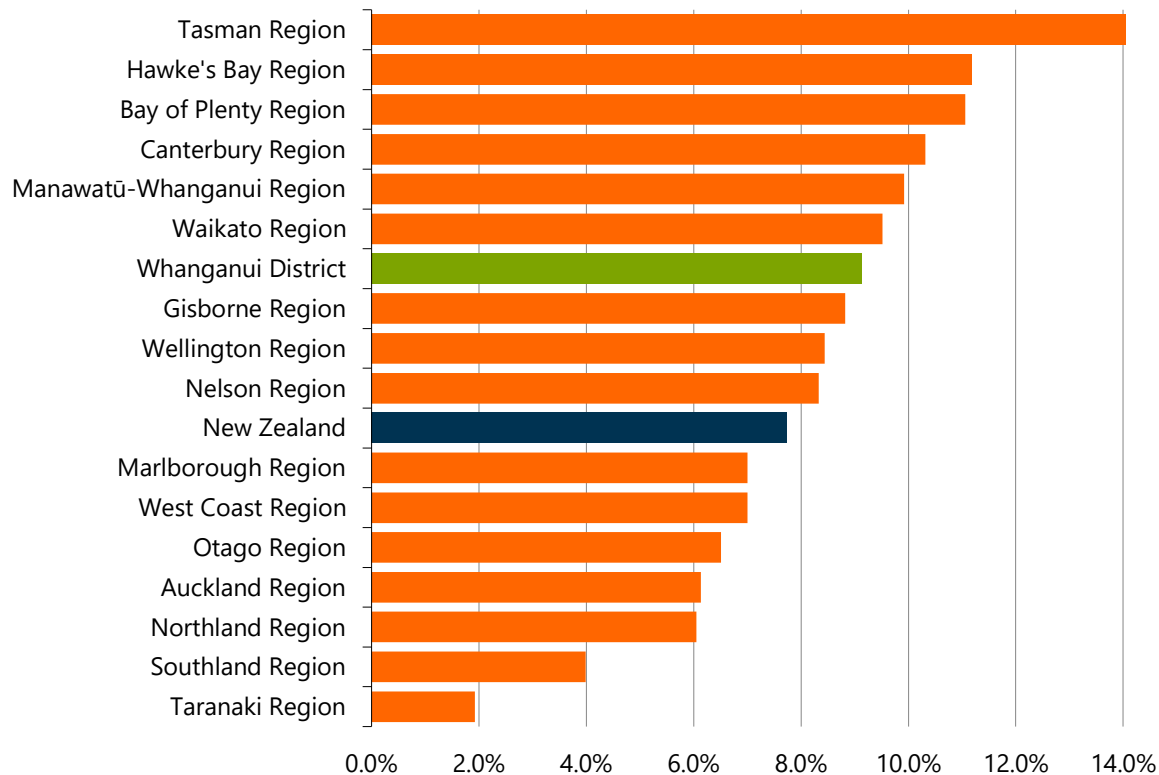


Solid economic activity

Strong economic results

Generally stronger economic outcomes in the regions

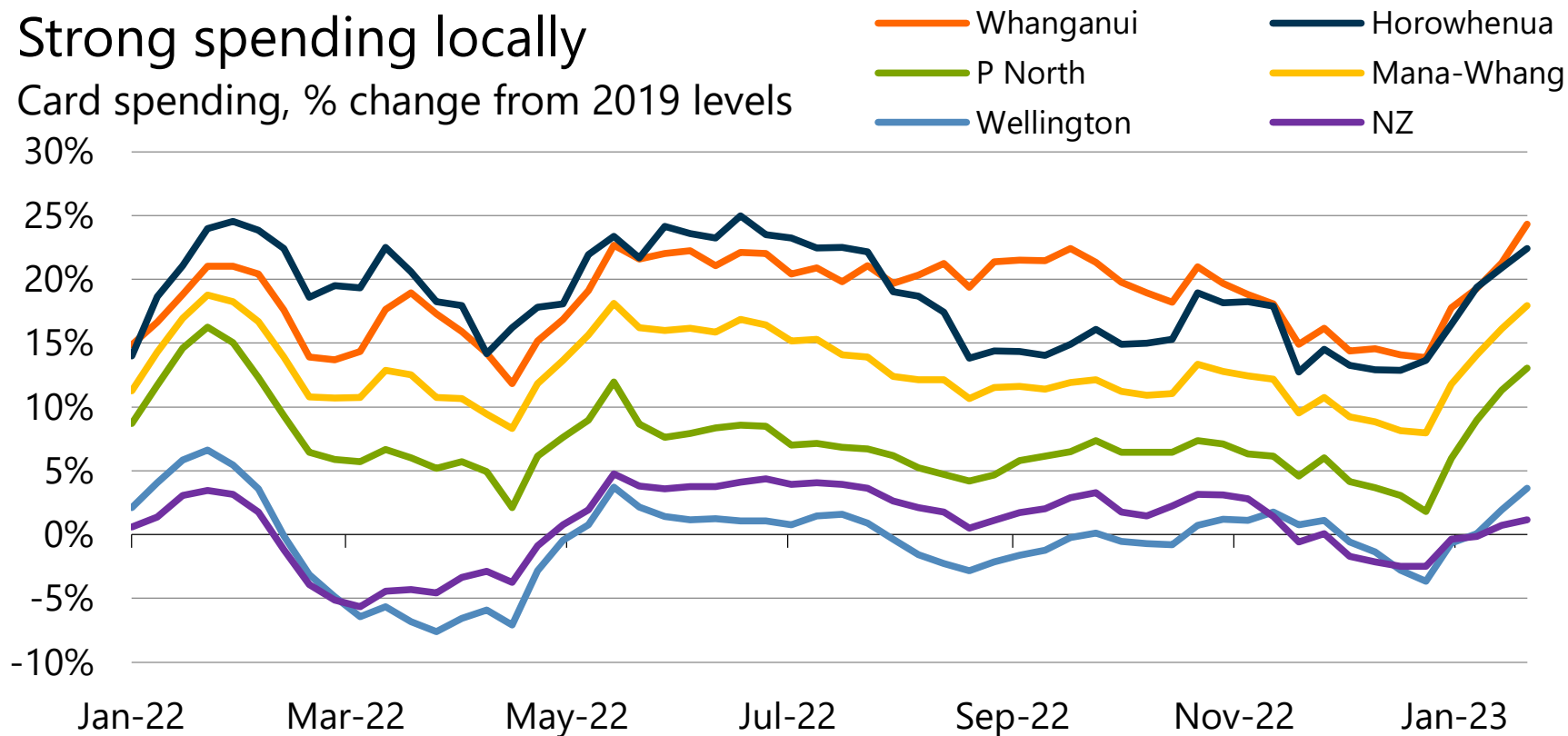
Provisional annual economic activity estimates, Dec-22 vs Dec-19



Spending holding up

Strong spending locally

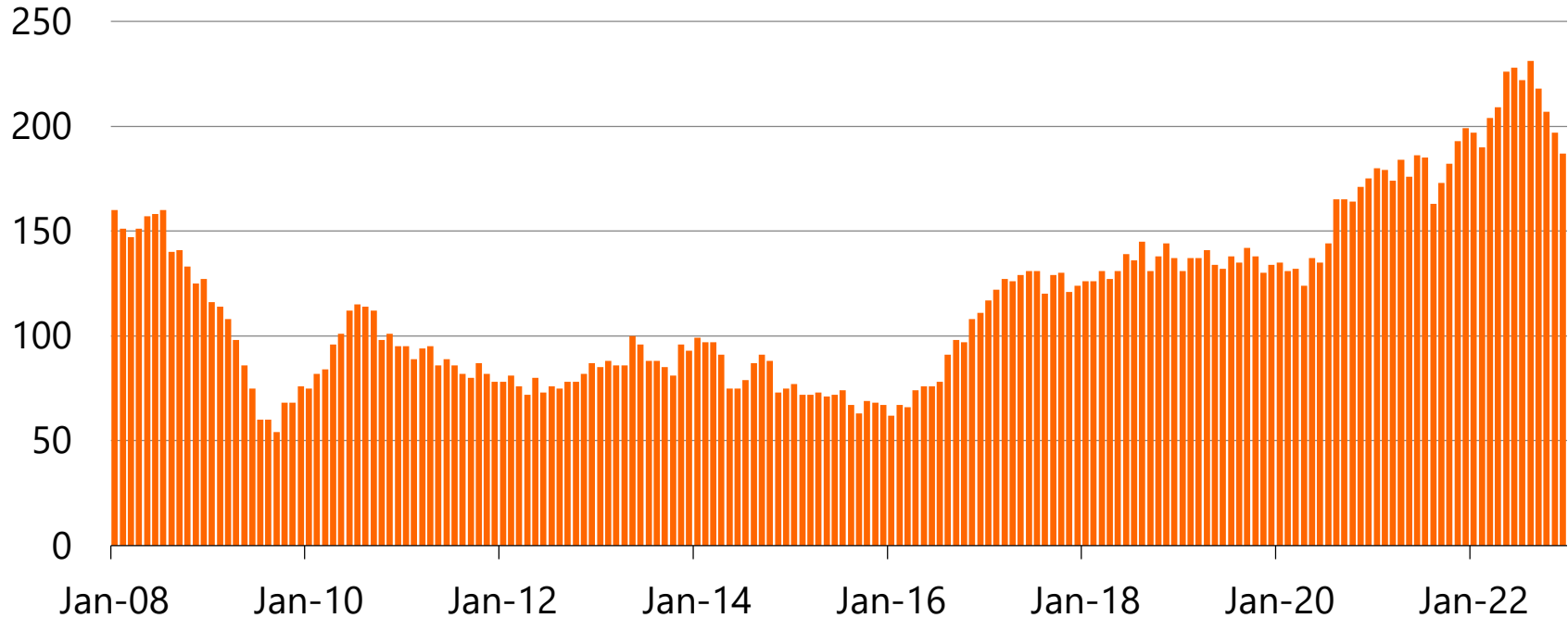
Card spending, % change from 2019 levels



More building to be done

High levels of construction in Whanganui

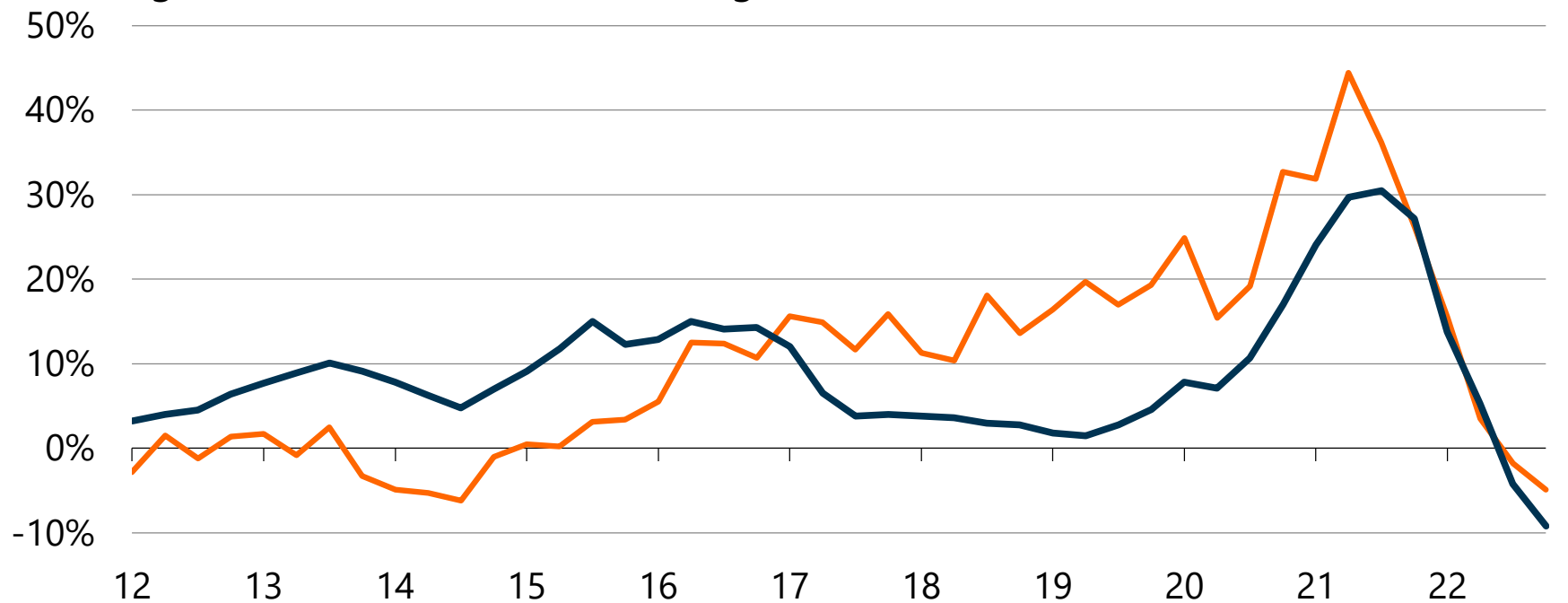
Annual running total, residential consents



Housing still challenging

The rise and rise, and then fall, of house prices

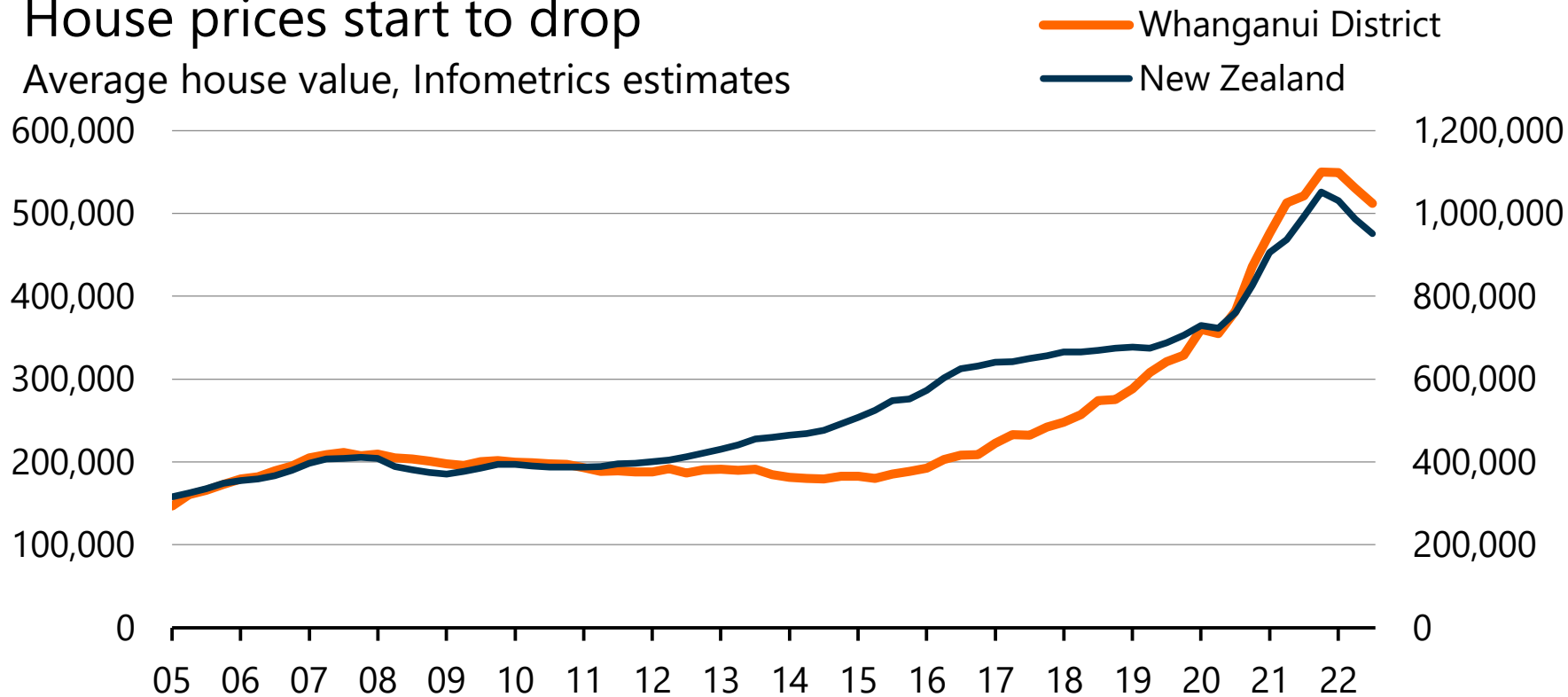
CoreLogic house values, annual % change



Housing still challenging

House prices start to drop

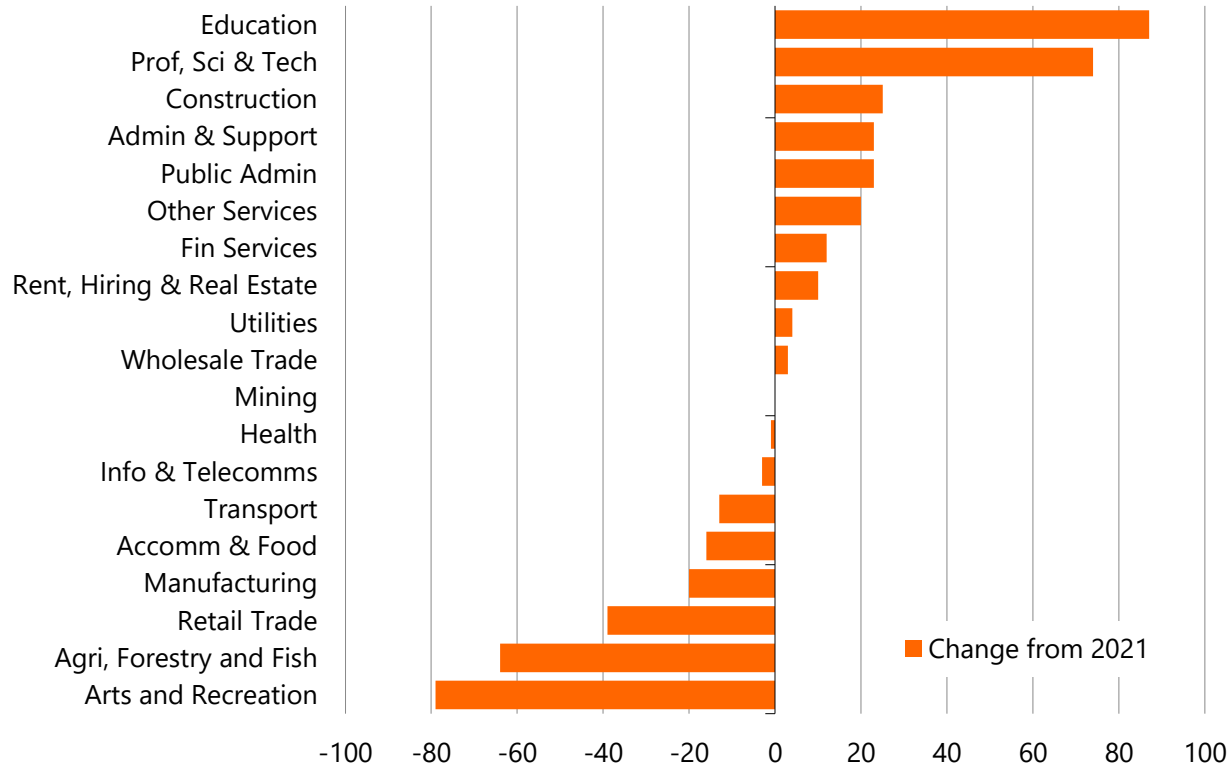
Average house value, Infometrics estimates



How are jobs tracking?

Some sectors are performing better than others

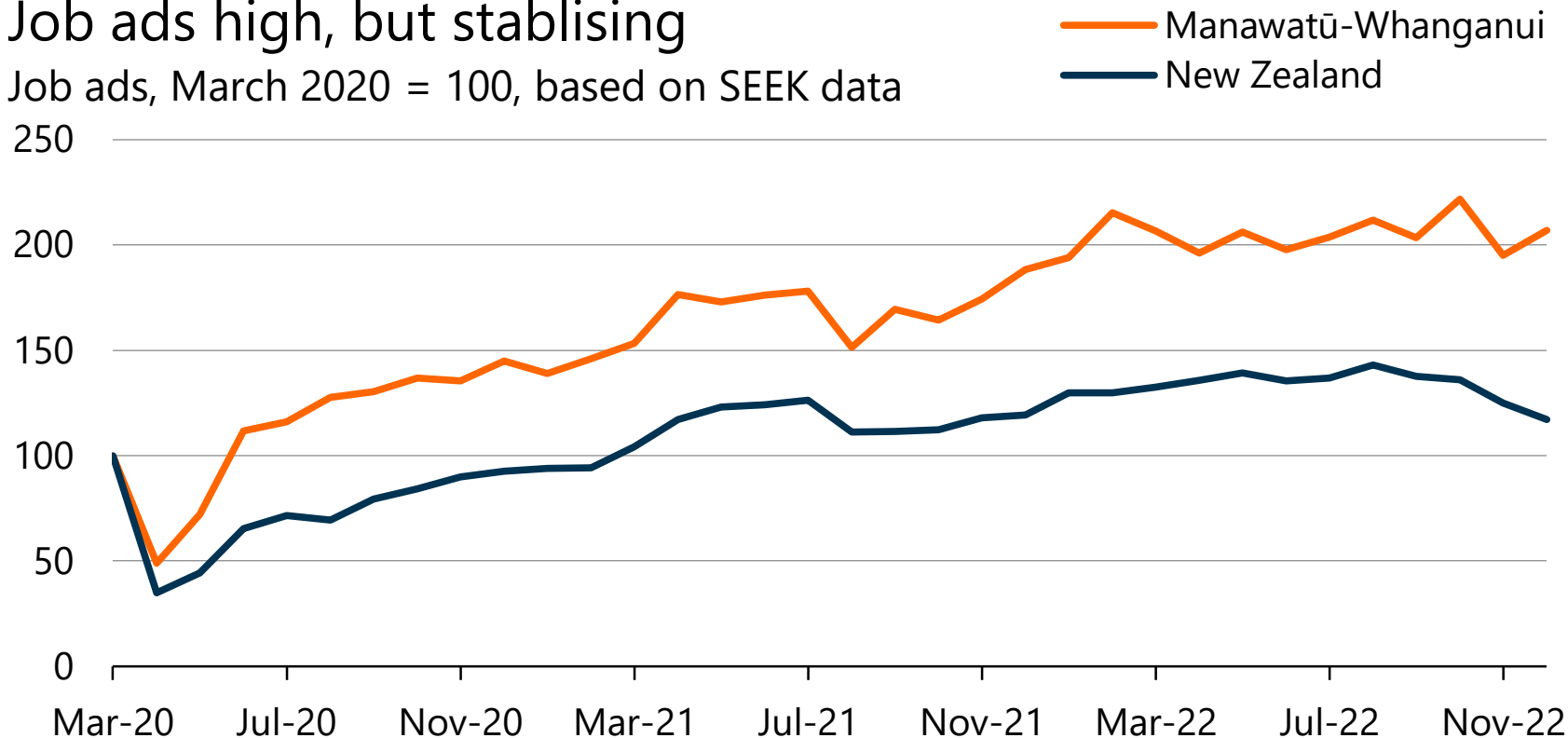
Filled jobs by industry, December 2022, Whanganui (residential location)



Still lots of jobs

Job ads high, but stablising

Job ads, March 2020 = 100, based on SEEK data



Quarterly Update – Dec-22

| Indicator | Whanganui District | Manawatū-Whanganui Region | New Zealand |
|--------------------------------------|--------------------|---------------------------|-------------|
| Annual Average % change | | | |
| Gross domestic product (provisional) | 2.3 % ▲ | 2.2 % ▲ | 2.8 % ▲ |
| Consumer spending | 8.4 % ▲ | 8.8 % ▲ | 10.3 % ▲ |
| Employment (place of residence) | 2.2 % ▲ | 2.1 % ▲ | 2.5 % ▲ |
| Jobseeker Support recipients | -7.8 % ▼ | -9.7 % ▼ | -10.9 % ▼ |
| Tourism expenditure | 6.9 % ▲ | 9.6 % ▲ | 18.9 % ▲ |
| Guest nights | 1.9 % ▲ | 12.1 % ▲ | 22.4 % ▲ |
| Health enrolments | -0.7 % ▼ | -0.2 % ▼ | 0.4 % ▲ |
| Residential consents | -6.0 % ▼ | -16.9 % ▼ | 1.1 % ▲ |
| Non-residential consents | 45.4 % ▲ | -12.0 % ▼ | 13.1 % ▲ |
| House values * | -4.9 % ▼ | -9.6 % ▼ | -9.2 % ▼ |
| House sales | -30.1 % ▼ | -27.8 % ▼ | -29.6 % ▼ |
| Car registrations | -12.6 % ▼ | -16.8 % ▼ | -2.2 % ▼ |
| Commercial vehicle registrations | -7.1 % ▼ | -8.6 % ▼ | -6.2 % ▼ |
| Level | | | |
| Unemployment rate | 4.0 % | 3.3 % | 3.3 % |

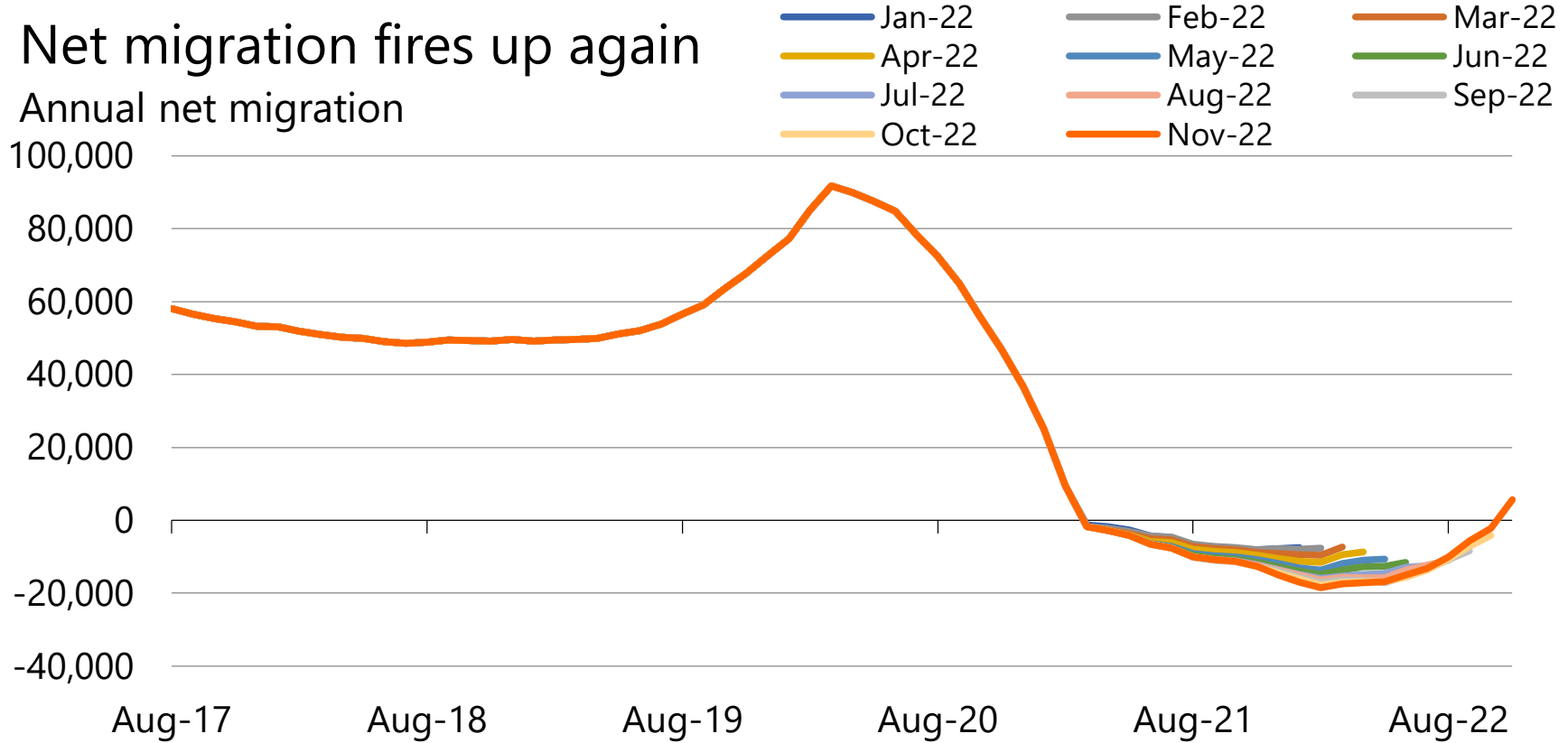
* Annual percentage change (latest quarter compared to a year earlier)

From brain drain to brain gain

From a drain to a gain

Net migration fires up again

Annual net migration

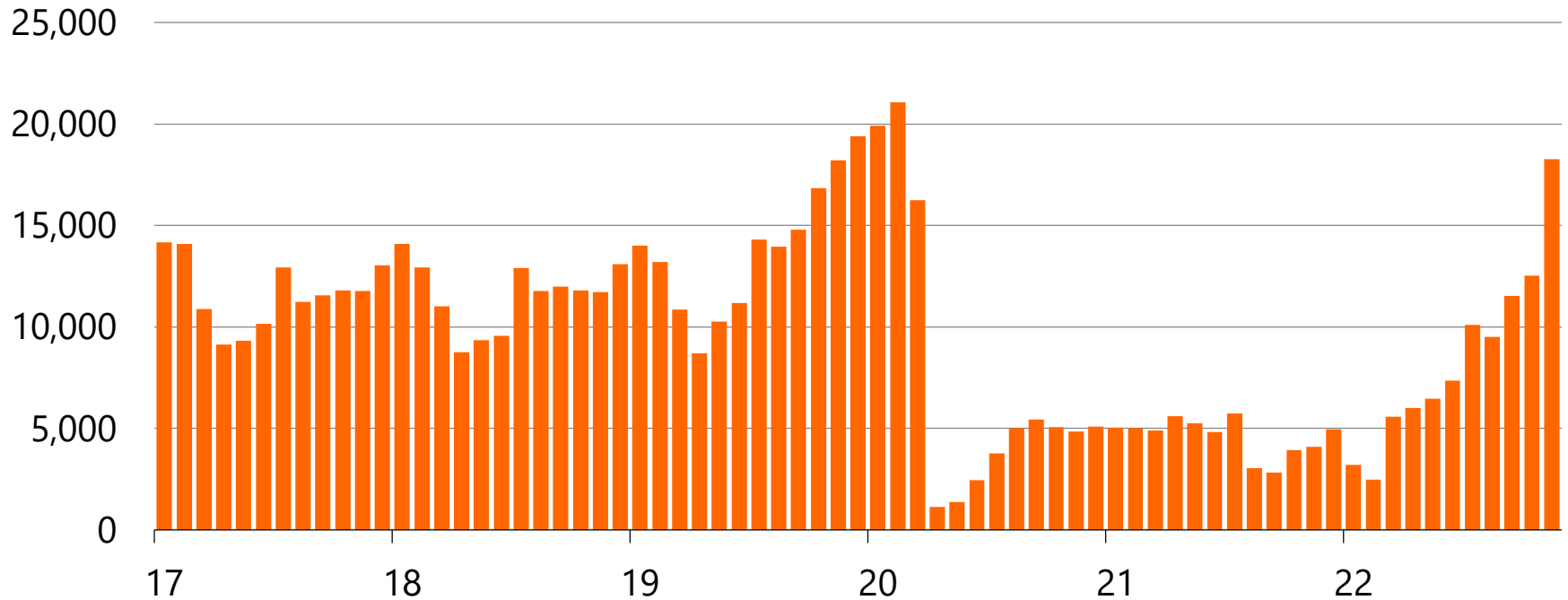


From a drain to a gain

Massive pick-up in November 2022

Monthly migrant arrivals, actual

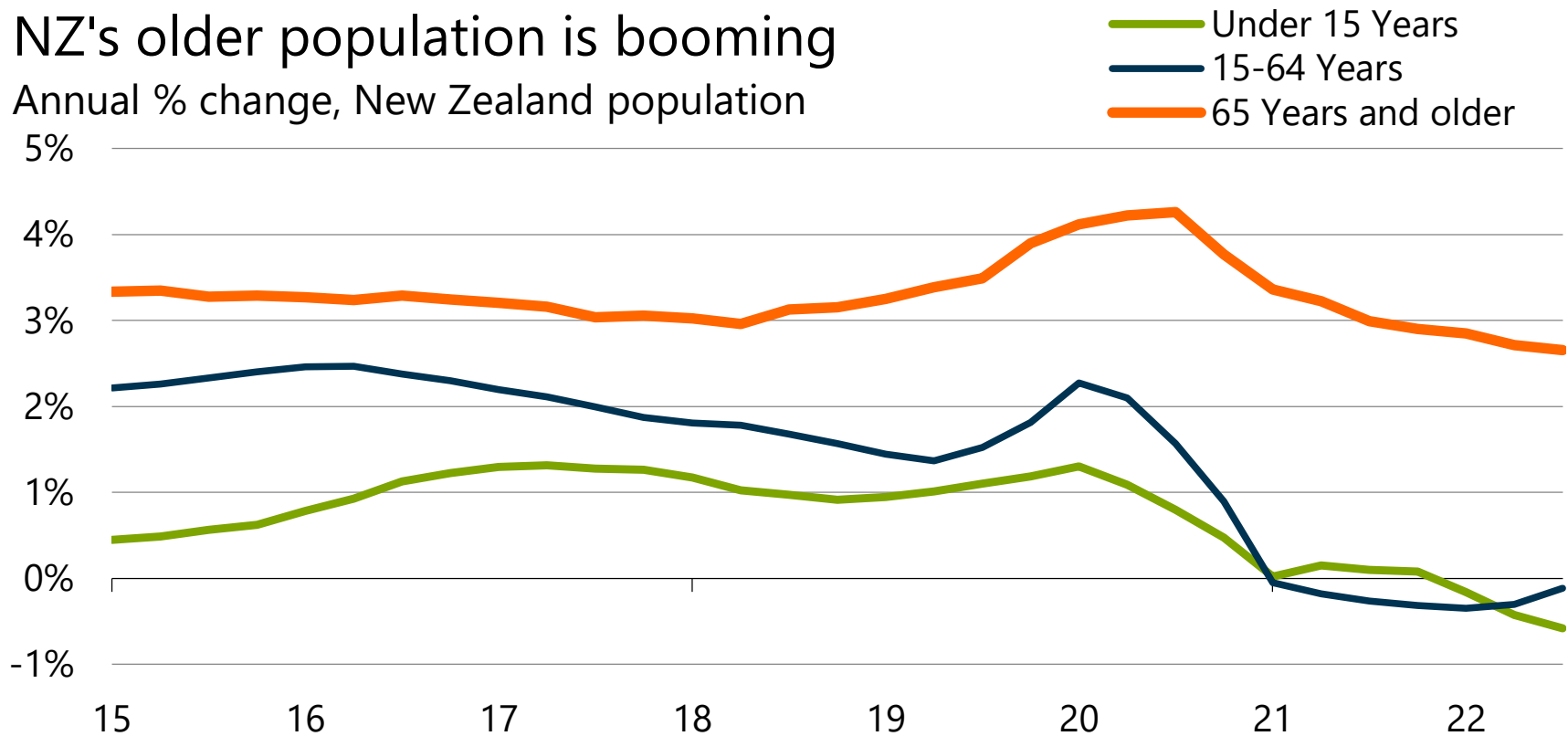
Estimated Migrant Arrivals



The population is still aging

NZ's older population is booming

Annual % change, New Zealand population



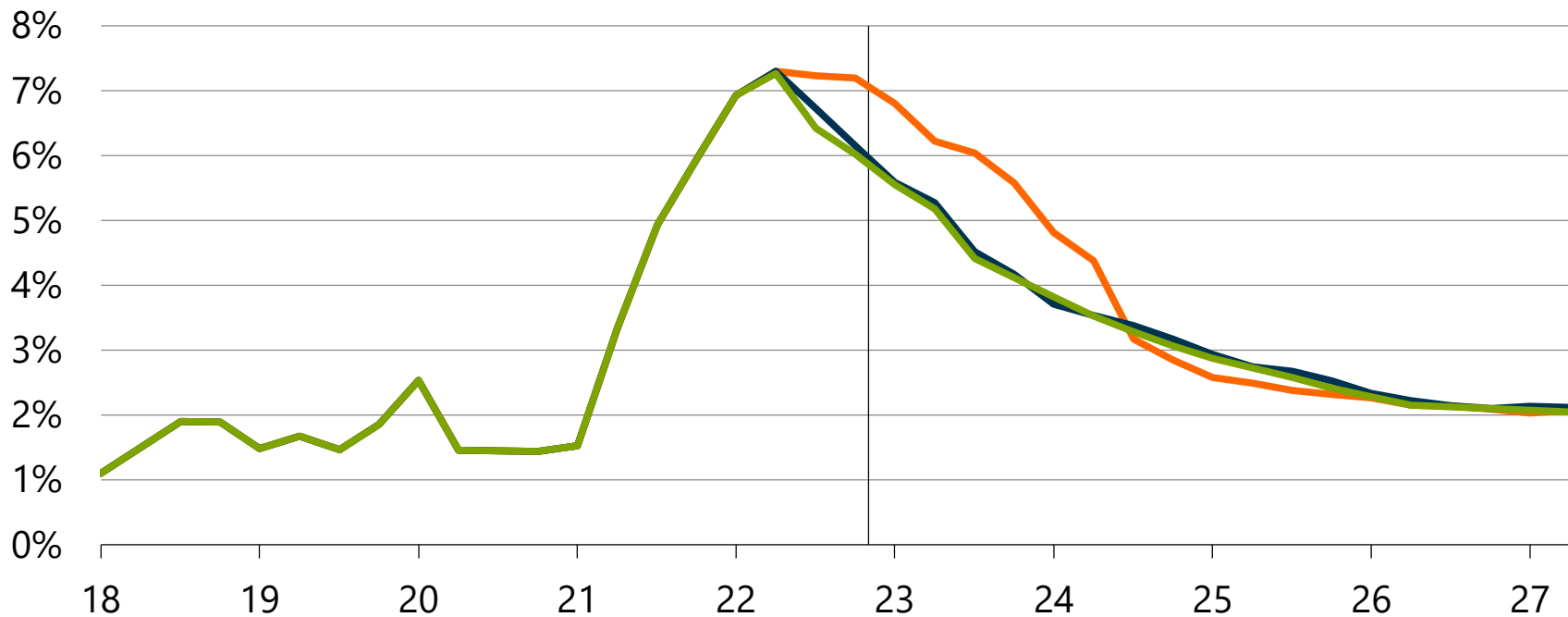
**Inflation plateauing, but not
falling yet**

Inflation still way too high

Inflation remains more persistent

Inflation, annual rates, Infometrics forecasts

— Feb 23 forecast
— Oct 22 forecast
— Jul 22 forecast

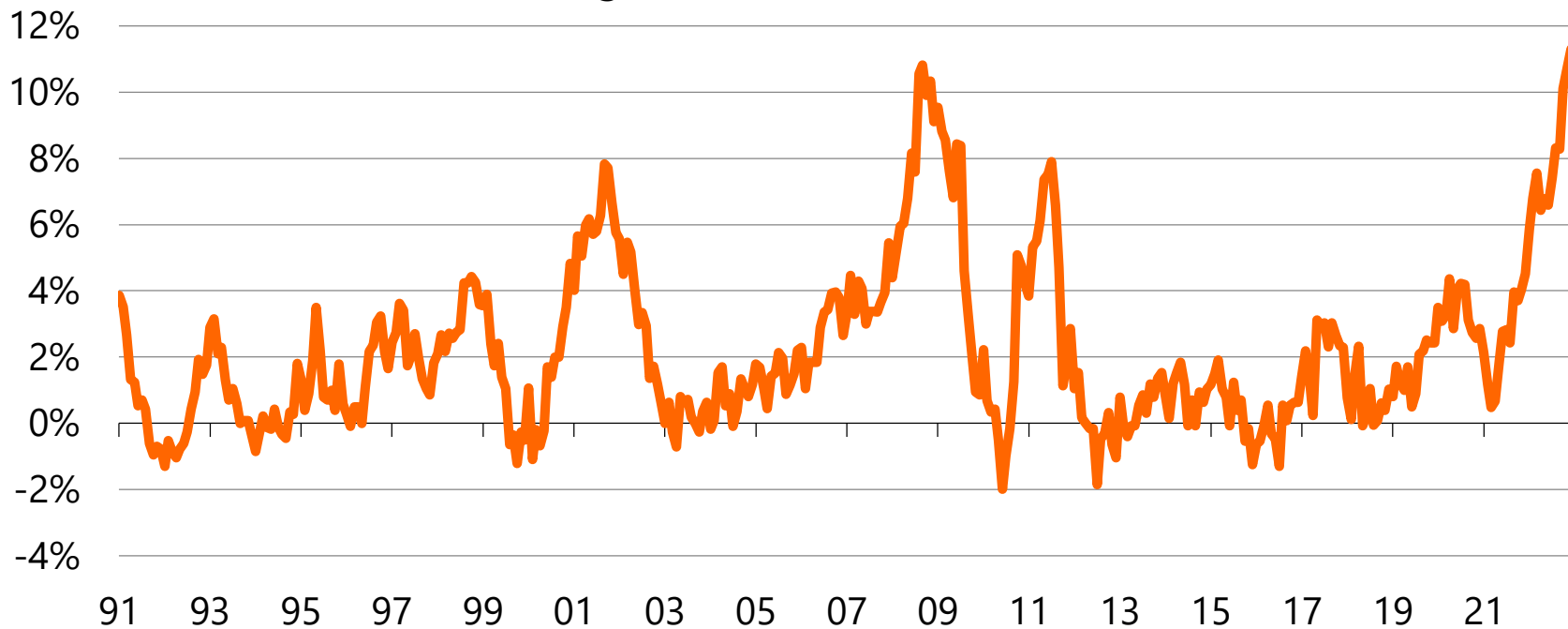


Food prices go higher

Fastest FPI increase in 32 years

Food Price Index, annual % changes

— National Food Price Index



• Recession fears see oil prices recede •

Fuel prices down 11% from Sep quarter

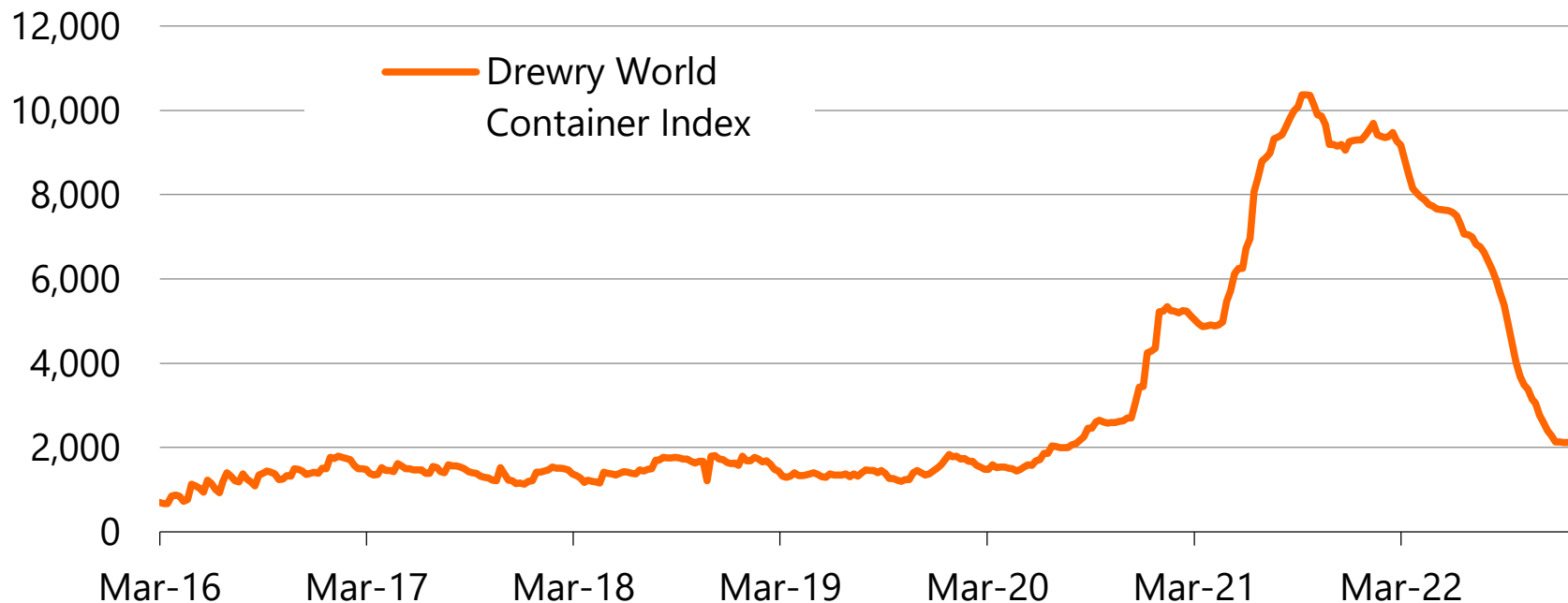
Regular 91 petrol, discounted, c/L, weekly



Supply chain righting itself

Freight prices down 77%pa, but up 50% from 2019

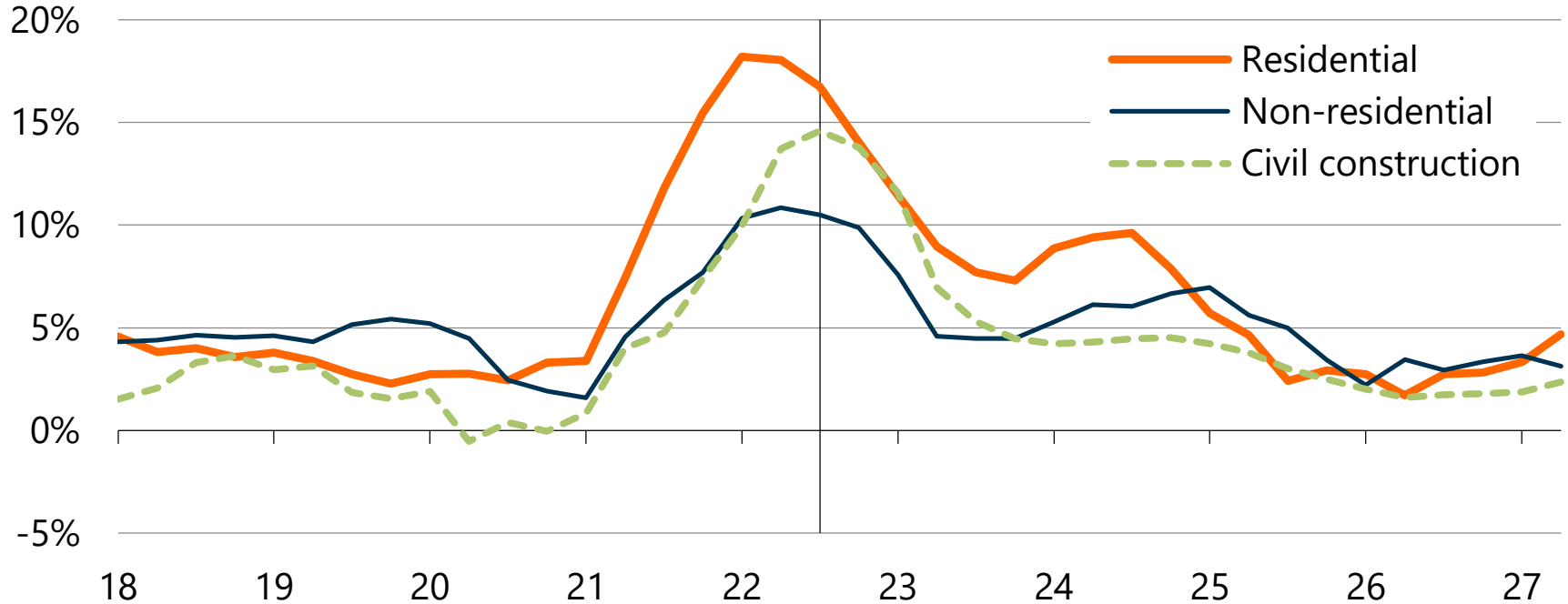
Drewry World Container Index, USD, per 40ft container, weekly



High building costs

First signs of a slowdown in building cost inflation

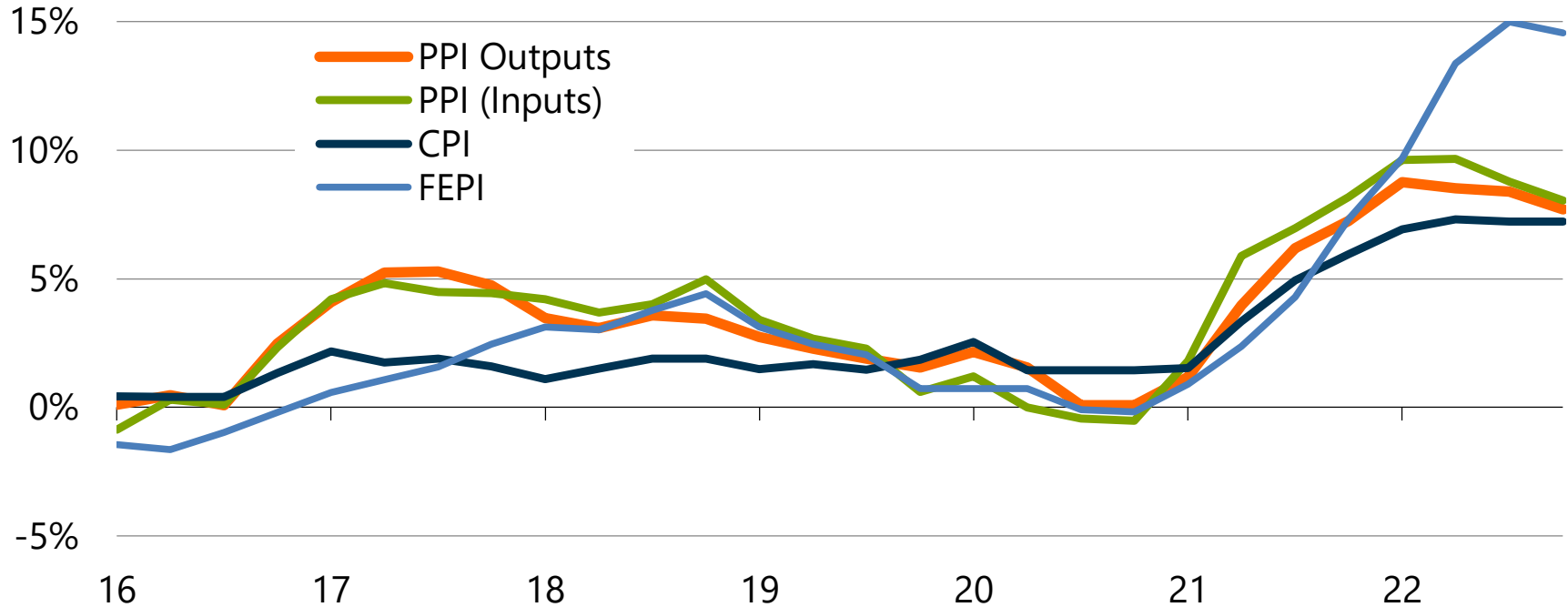
Construction costs, annual % changes



Across the board increases

Business cost growth slows, but stays elevated

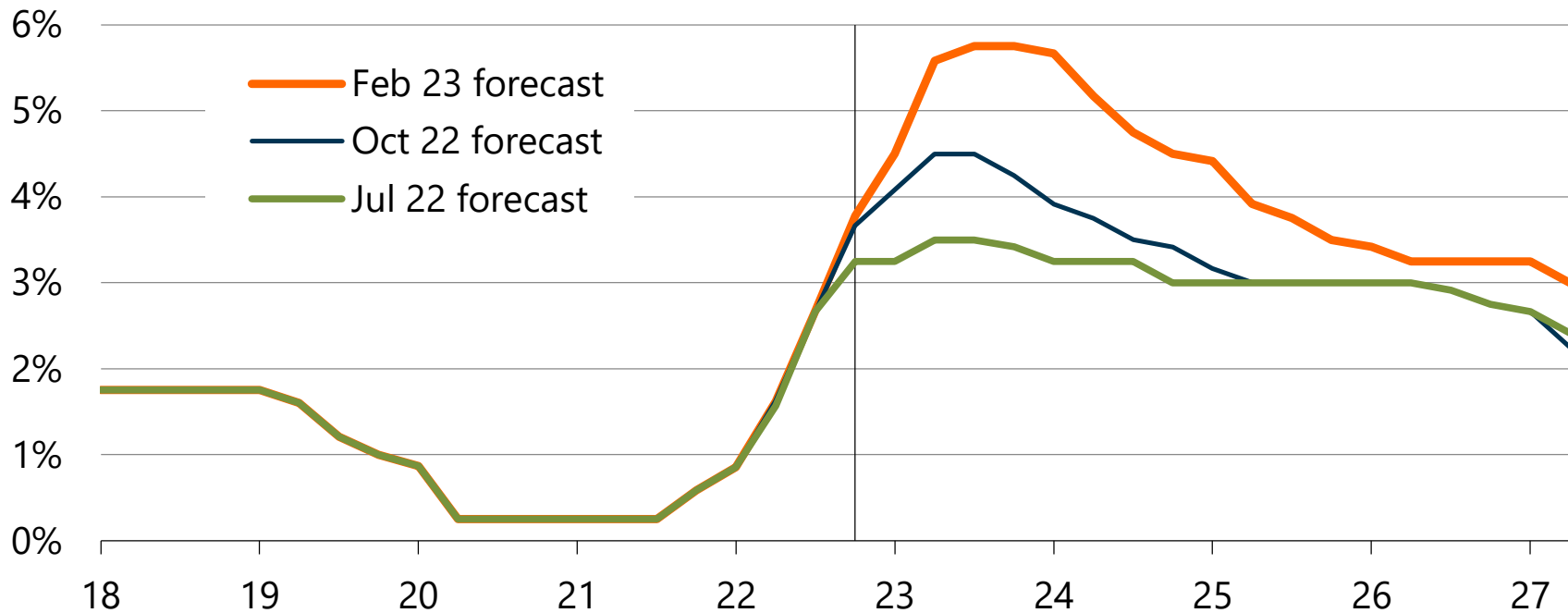
Annual % changes



Interest rates will rise further

Interest rates to hit a 15-year high

Official cash rate forecast comparison, quarterly averages



Brad Olsen – Principal Economist

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Our work and achievements

Hannah Middleton

Chief Executive









MINISTER FOR ARTS, CULTURE AND HERITAGE

HON CARMEL SEPULONI







FOR THE 6 MONTHS ENDING 31/12/22

| | YTD Actual (\$) | Annual Budget |
|--|-----------------|---------------|
| Income | | |
| Whanganui District Council Funding | 1,442,371 | 2,832,626 |
| Operating Expenses | | |
| 179 St Hill Street - Administration | 685,748 | 1,308,108 |
| 31 Taupo Quay – Visitor Information Centre | 125,506 | 301,464 |
| Total Operating Expenses | 811,254 | 1,609,572 |
| Strategic Priority Areas | | |
| Business | 123,577 | 179,200 |
| Agri | 9,934 | 107,400 |
| Education and Youth | 66,850 | 184,500 |
| Marketing | 129,642 | 450,500 |
| Creative Industries and Arts | 29,181 | 45,000 |
| Total Strategic Priority Areas | 359,185 | 966,600 |
| Contestable Event Funding | | |
| Events | 261,228 | 267,500 |
| Net Profit/(Loss) Council Funding | 10,704 | (11,046) |

OTHER INCOME AND EXPENSE

| | YTD Actual (\$) |
|--|-----------------|
| Strategic Tourism Asset Protection Programme - MBIE | |
| STAPP income | 661,471 |
| STAPP expenses | (453,902) |
| Total STAPP programme | 207, 569 |
| Programme – MBIE RBP Programme | |
| Business Growth income | 158,312 |
| Business Growth expenses | (43,924) |
| Total RBP programme | 114,388 |
| Interpretive signage project | |
| WISP income | 200,000 |
| Total Interpretive Signage Project | 200,000 |
| Regional Events Funding | |
| Regional Events Fund Expenditure | (25,000) |
| Total Regional Events Funding | (25,000) |
| Whanganui Music Industry Funding | |
| Whanganui Music Industry Income | 30,000 |
| Whanganui Music Industry Expenses | (3,059) |
| Total Whanganui Music Industry Funding | 26,941 |



THANKS!

Any questions?



WHANGANUI
AIRPORT