

Pōneke Pulse

An economic pulse check for Wellington businesses
from Wellington City Council

September 2022

**Absolutely Positively
Wellington City Council**

Me Heke Ki Pōneke

Contents

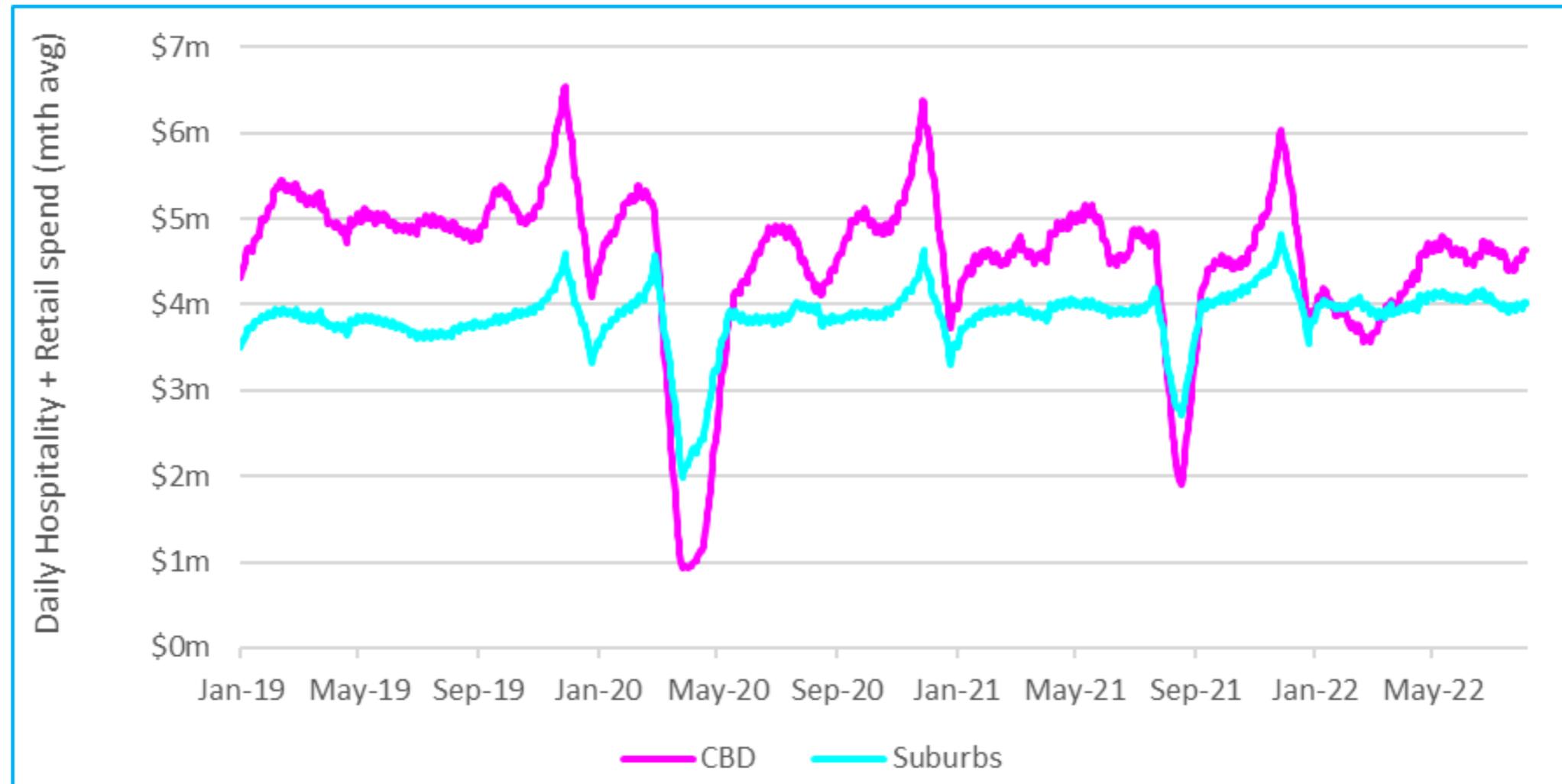
General update – central city

- Spend
- Commuting
- People
- Covid-19 (departing thoughts)

September spotlight – University education, research and activity

- Victoria University of Wellington
- Massey University
- Sector opportunity and challenge

Spend: Long-term trends (hospo + retail)

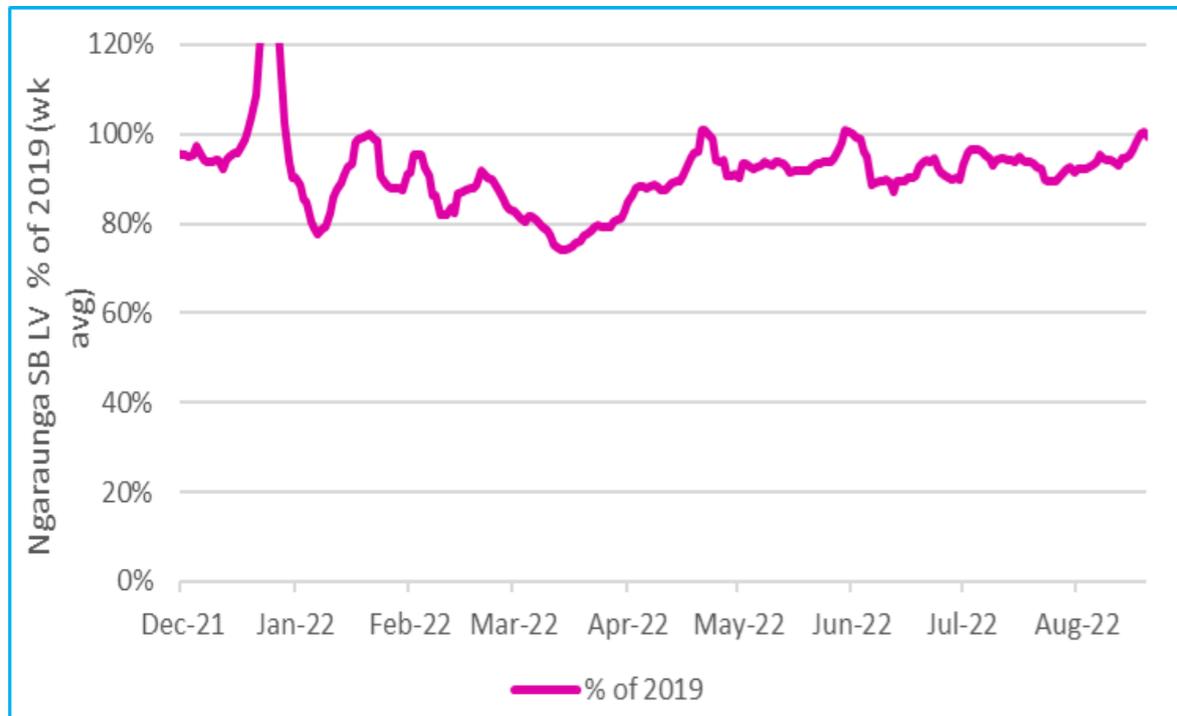


Since 2019:

- CBD has 'tracked' down
- Suburbs have 'drifted' slightly up
- Net impact: CBD contributes less to the City

Commuting: car and CBD bus PAX up

Car counts at Ngauranga Gorge



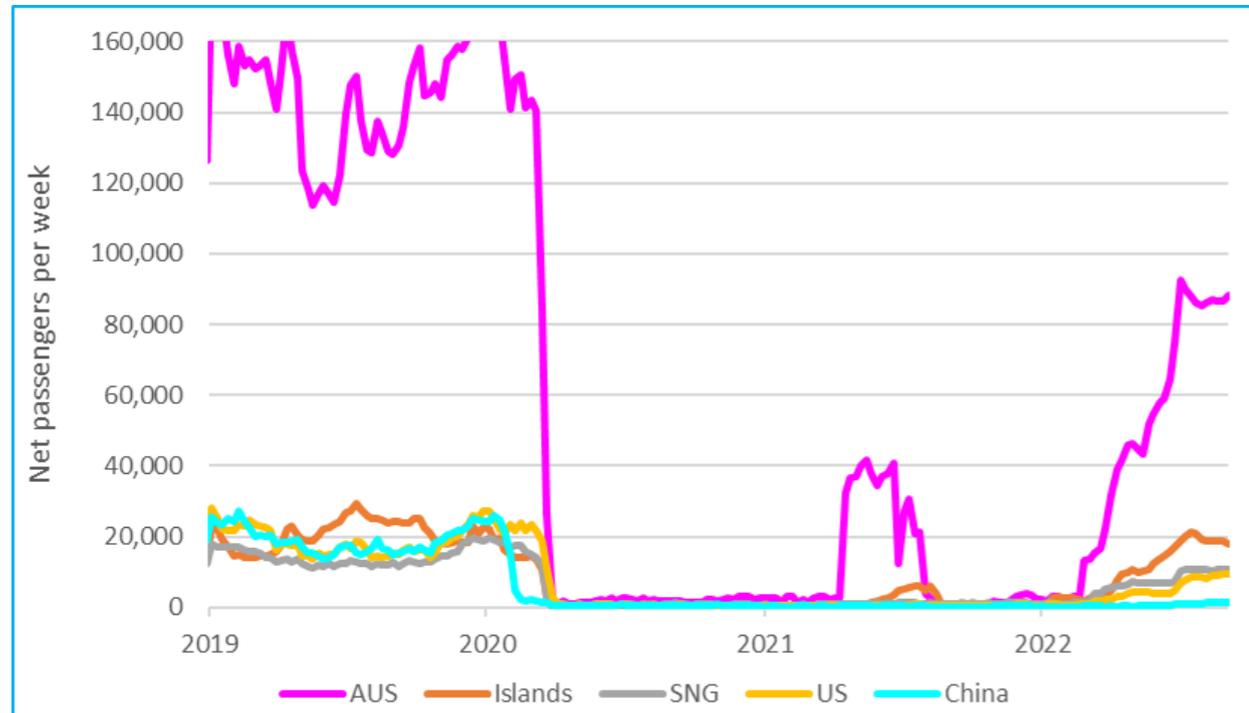
Bus loadings



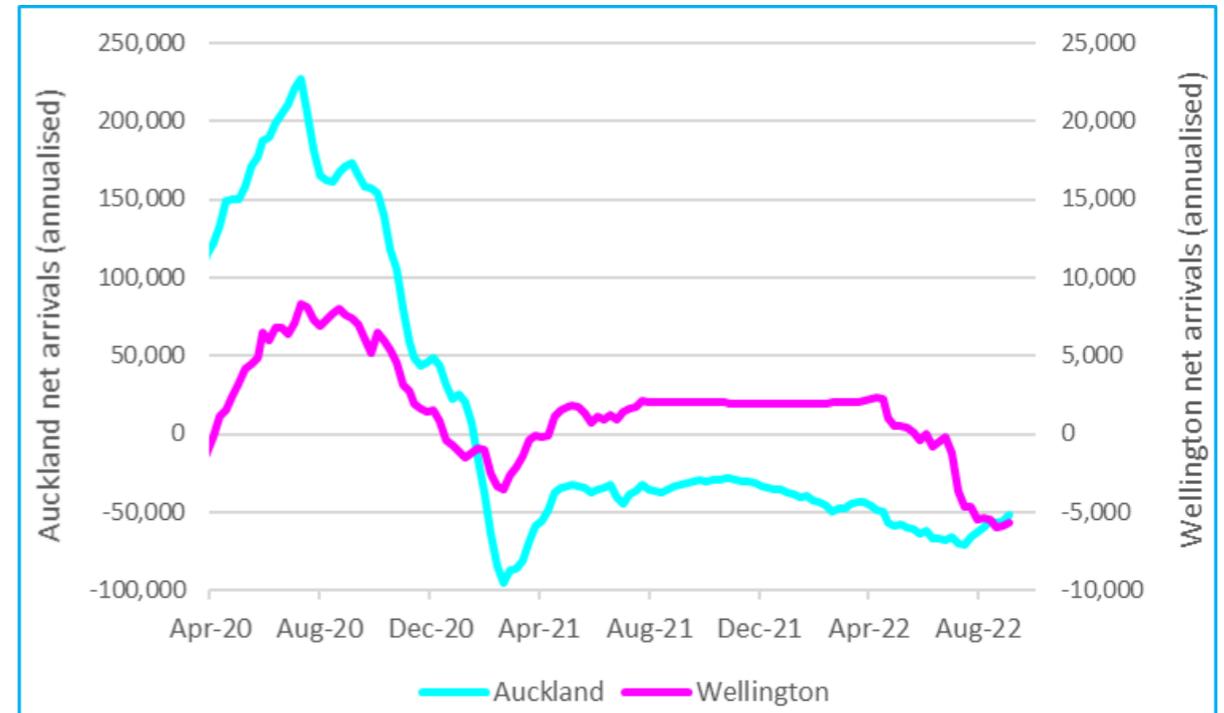
- Cars - now equal to 2019
- CBD bus loadings – starting to increase
 - Cancellations (due to driver shortage) impacting this mode
 - Discomfort due to high passenger density
 - Reliability issues due to late cancellations
 - But 50% fares increases attractiveness for price-sensitive users

Brain drain: net migrant flows

Passenger capacity by region:



Net migration: AKL versus WLG:



- Capacity returning but limited by aircrew availability
- Australia at 70% and stable
- China yet to return

- Pent-up demand for OE + job-change
- AKL 50,000 pa loss
- WLG 5,000 pa loss
- If persistent, of some concern

NOTE: this measures the net sum of passenger flows IN and OUT of the country over a year which removes short-term visitors and includes those staying > 6-12months who put pressure on housing and infrastructure. It is not an orthodox statistic but is included to measure an evolving situation.

COVID-19: the new normal



Covid-19 controls are off and individual responsibility is now standard practice

August spotlight: University education



The University education sector

- Contribution to City
 - Students
 - Work in hospitality/retail.. and internships
 - Spend on accommodation and living and associated tourism (significant net economic benefit)
 - Like to party but also to be involved; film, music, drama, dance, sport, business ...
 - Employment for teachers and researchers
 - Research on new and more efficient production
- Purpose of sector
 - Advanced education and research
 - Pathway to professional work for people with the capacity to sustain intense training that competes internationally

- Institutions sampled

The two dominant tertiary providers are:

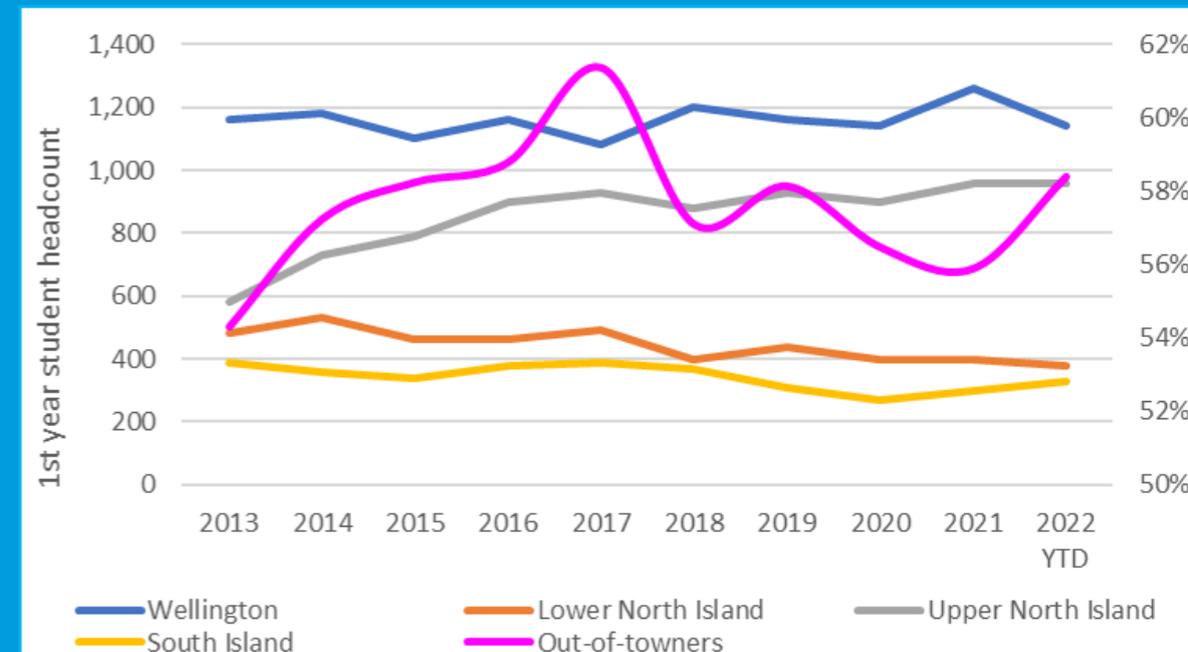
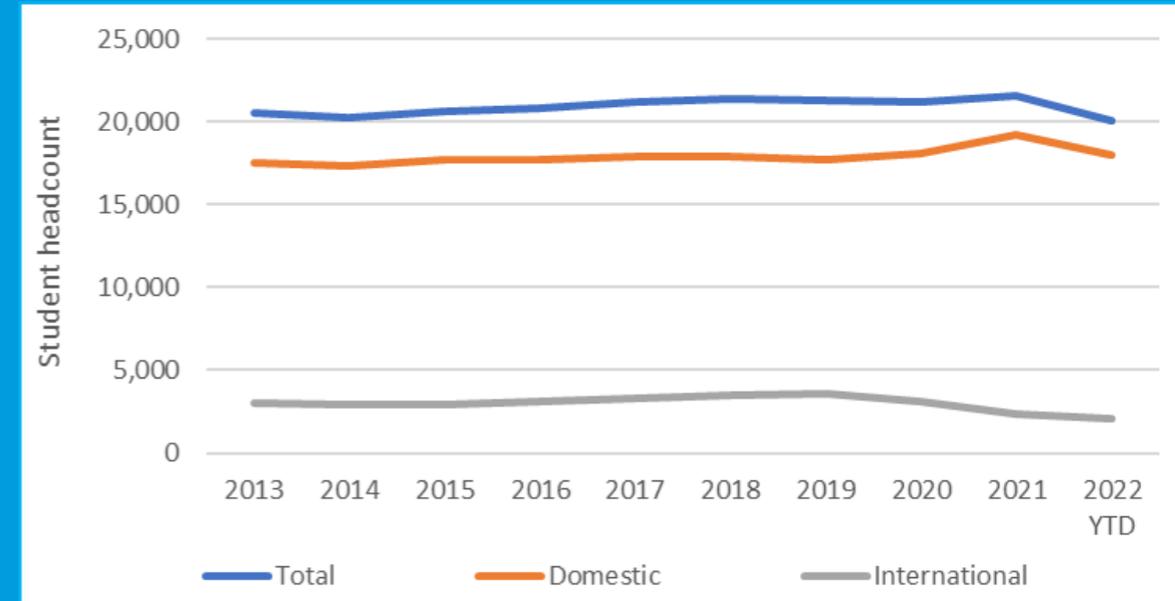
- Victoria University of Wellington
 - Educating students to prepare for an extraordinary life (sic)
- Massey University (Wellington campus)
 - Excellence in innovation and the creation of new knowledge

Source: Annual Report 2021

Source: Research Strategy 2018

Victoria University of Wellington (VUW)

- Operating revenue: \$518m (2021)
- External research income: \$89m (2021)
- Employment: 2,300 full-time equivalent staff
 - Significant employer
- Student headcount: 20,000 (2022 year to date)
 - 15,000 undergraduates
 - 5,500 postgraduates
 - Including 2,100 international students
- Students:
 - Around 60% of first year students come from outside of the Wellington Region
 - Majority of students work outside of the University (16% at least 20 hours per week)
- COVID-19 legacy
 - Online courses increase
 - 12% (est.) of kiwi students from outside Wellington are studying online
 - Reduced numbers of international students (30%+ reduction)



VUW case-study: Xframe; re-usable framing

- Developed from post-grad research in the School of Architecture
- Scalable inter-locking set of 'lego' pieces for home and office construction
- Fast to assemble, re-usable, and consistent with the circular economy
- Exporting from Wellington with team of four FTE
- Sales strong in Australia and mainly Australian owned
- NZ sales slower arguably due to the regulatory 'over-hang' arising from the historic 'weathertightness' experience



VUW case-study: Liquium; sustainable ammonia production

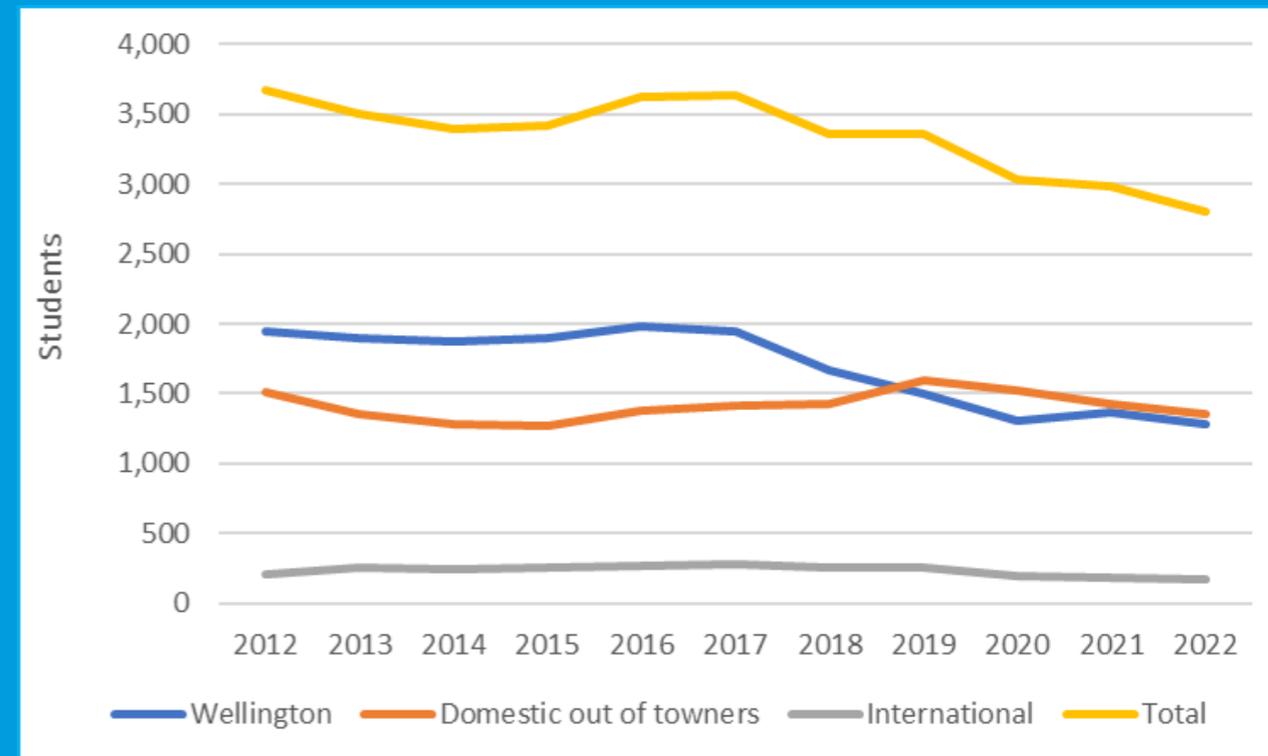
Cheap hydrogen is needed in the new 'green' economy, for transport and for smelting metals among other processes

- Victoria University of Wellington researchers have discovered a new way of synthesising ammonia that could revolutionise the way it is produced, making the process more economically feasible and environmentally friendly
- Potentially helps develop an affordable, sustainable, hydrogen economy.



Massey University

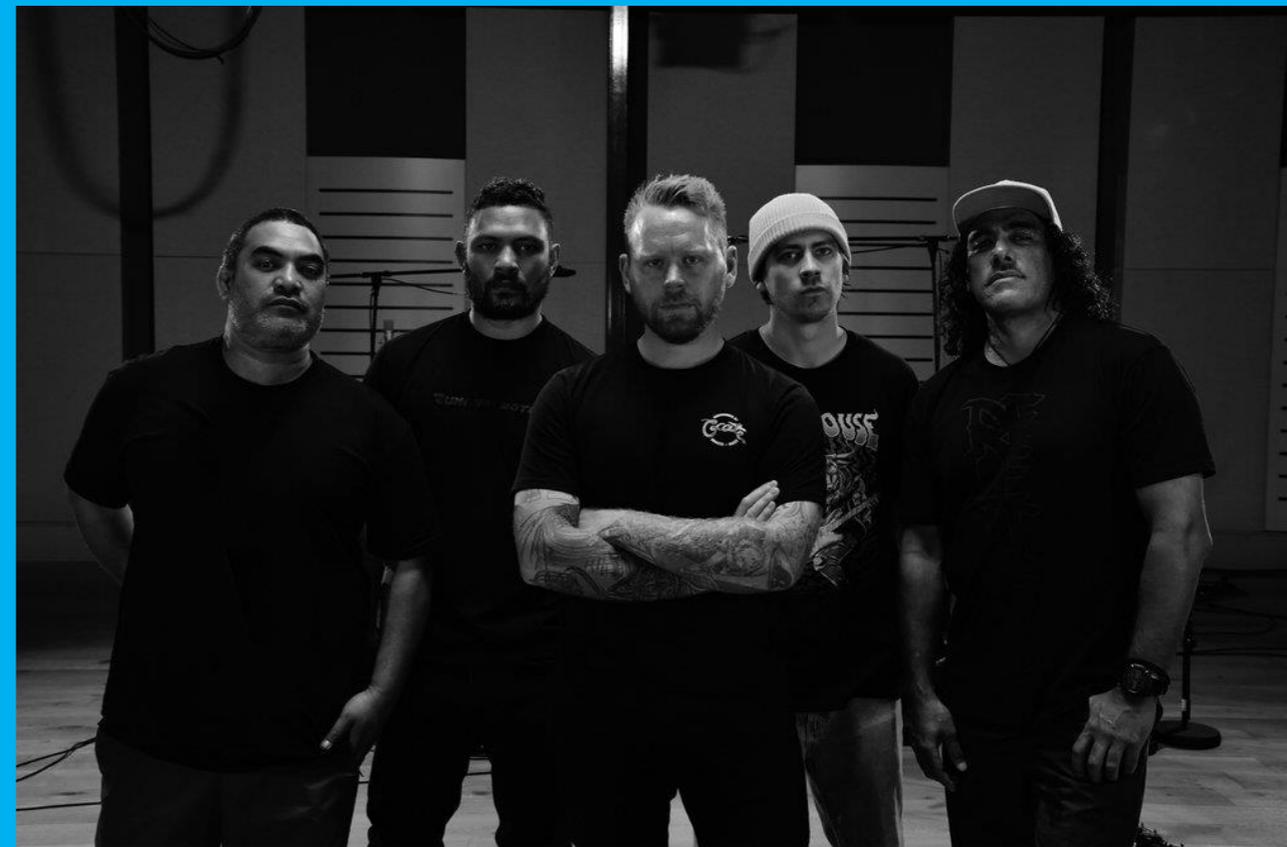
- 3,000 students (approximately) at the Wellington campus
- Excellence and innovation in education:
 - *The Wellington campus has a state-of-the-art design facility offering digital sound, animation and filming suites, and new media and drama labs including the largest educational green screen in the Southern Hemisphere, Australasia's first Fab Lab and purpose-built art gallery*
- Recent launch of Bachelor of Screen Arts with Honours - BSA(Hons) degree aligned with the screen industry
- Music studies aligned to contemporary performance
- Winners of James Dyson Award for senior Design students (8th consecutive year)



Massey case-study: Music studio

Well-known New Zealand band L.A.B have just released two live tracks that were recorded at Massey Studios on the Pukeahu campus in Wellington:

It's wonderful to have a professional recording studio on site at Massey Studios, Toi Rauwhārangī, College of Creative Arts (CoCA) in Wellington. Not only is it a fantastic contribution to the Aotearoa music scene, but it provides opportunities for our Bachelor of Commercial Music and Bachelor of Creative Media Production students to work side-by-side with professionals on high quality productions.



Sector opportunities and challenges

Opportunity

- Economic gains (fees, living, tourism...)
 - \$50k/annum per student (additionality of spend applies strongly for international students and many out-of-towners)
- Graduates employed by Government and private sector
 - Transition into work – ensuring ‘work ready’ graduates
 - Internships and work placements (but more are needed)
- Research and Intellectual Property commercialisation
- Major contribution to the diversity and cultural vibrancy of Wellington

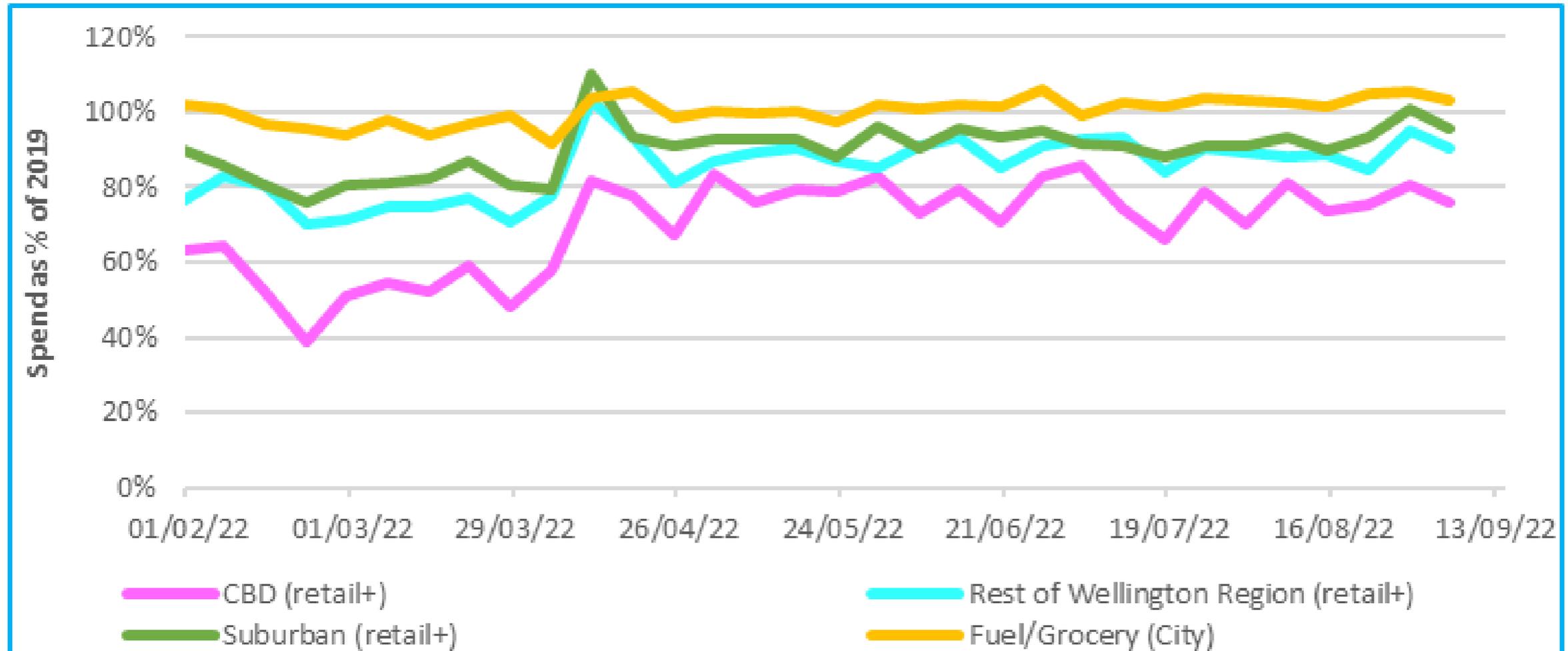
Challenges

- Availability and affordability of suitable accommodation
- Perceptions of CBD safety and security
- A need to integrate the academic/research with the practical/commercial

Got questions? Or to sign up to receive Pōneke Pulse updates email:
economicwellbeing@wcc.govt.nz

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Attachment (hospo + retail) spend



Source: AMarketView

- Suburbs continue to drift closer to 2019 levels
- CBD remains 20% down on 2019 (perhaps stubbornly so)