

## Enterprise Dunedin

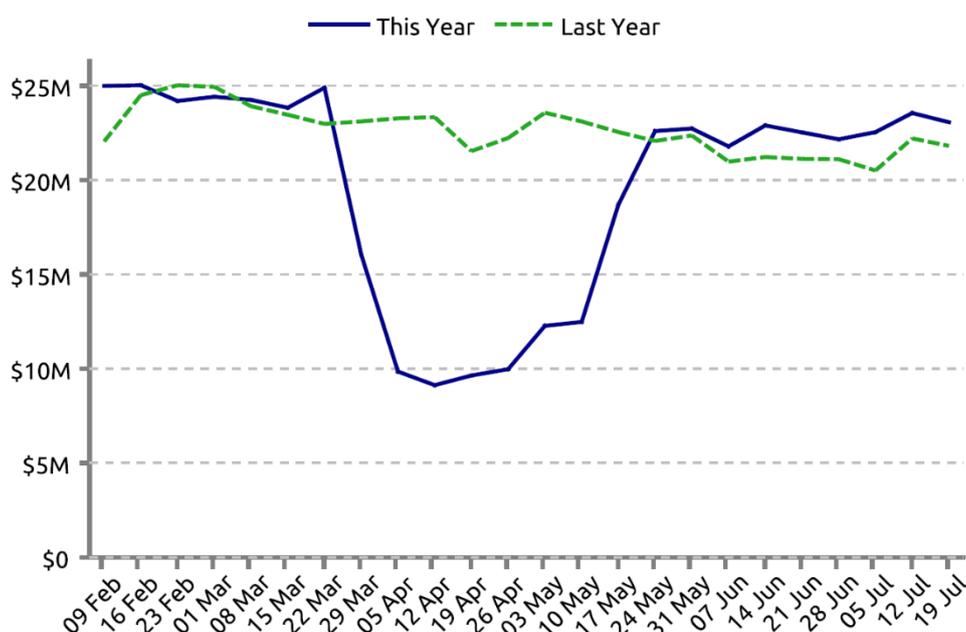
### DUNEDIN CITY – 27 JULY 2020 COVID-19 ECONOMIC UPDATE

This document gives context for economic and social wellbeing within Dunedin City during the Covid-19 pandemic. The measures have been chosen because they are available in a timely fashion. Availability of up-to-date indicators is limited, so these measures should be taken as an overview of activity, rather than an exhaustive list of all aspects of the economy.

#### Spending

Retail spending in Dunedin City over the seven days to 19 July 2020 was \$23.1 million, compared to \$21.8 million across the same week a year ago, according to data provided by Verisk.

### 1. WEEKLY VALUE OF SPENDING



Spending growth has been positive since exiting Level 3 and 4 lockdown. Spending growth peaked at 9.9%pa over the week ended 5 July, while last week (to 19 July) growth was 5.8%pa.

Looking over a month period against other cities, total retail spending in Dunedin across the four-week period ended 19 July was 6.5% above its 2019 level. This growth is above cities such as Wellington (-2.3%), Auckland (-1.8%), Christchurch (1.4%), Hamilton (2.4%), Invercargill (3.1%), and Tauranga (5.8%), New Plymouth (6.0%), and Palmerston North (6.1%).

The recovery in retail spending across the city has become increasingly broad-based. Initially the recovery was concentrated on homeware and clothing, while supermarket spending has remained strong throughout the pandemic. However, hospitality and accommodation spending has now risen above its 2019 level for five consecutive weeks. Lower petrol prices are keeping the value of fuel and automotive spending at bay.

The retail recovery in Dunedin appears more entrenched than other bigger urban areas across the country. Nevertheless, there remains a risk that retail spending softens again in the coming months as households display caution against a backdrop of economic uncertainty. Sustained retail spending growth will be contingent on a number of factors, including resilient local employment conditions and ongoing levels of domestic tourism.

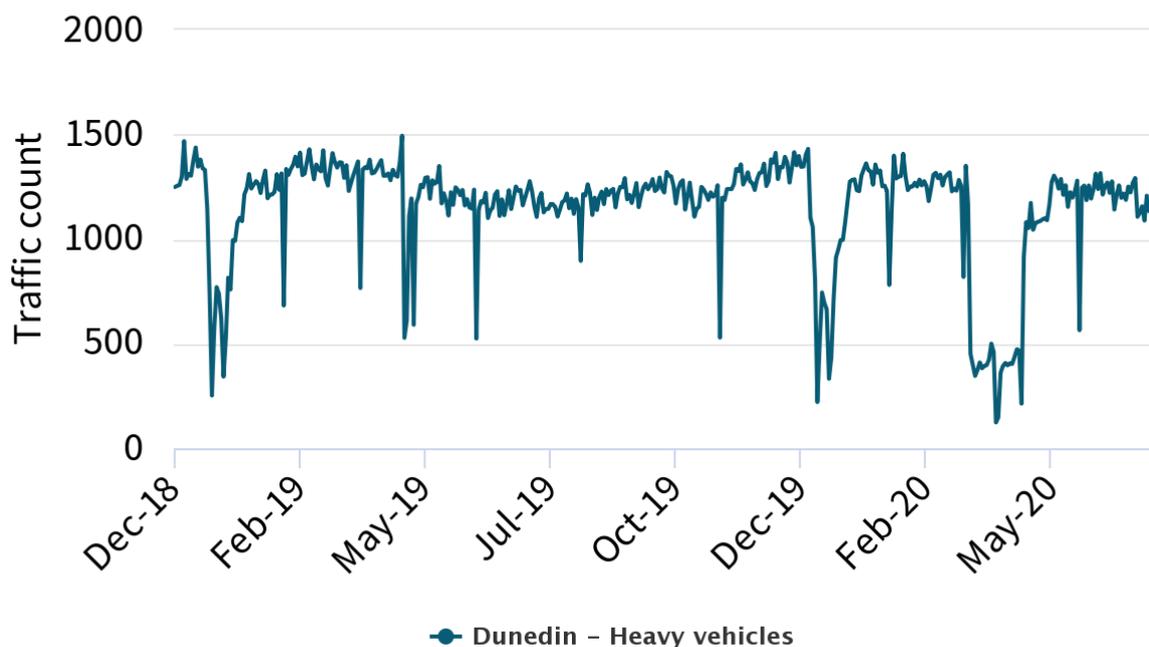
Week ended 19 July 2020	2020 Spend	2019 Spend
Food, liquor & pharmacies	\$9,195,578	\$8,520,935
Hospitality & Accommodation	\$4,379,725	\$4,143,458
Fuel & Automotive	\$2,052,221	\$2,337,731
Clothing, Footwear & Department Stores	\$1,265,782	\$1,206,138
Home & Recreational Retailing	\$3,464,952	\$2,813,783
All other	\$2,707,915	\$2,788,531
<b>Total</b>	<b>\$23,066,172</b>	<b>\$21,810,576</b>

## Traffic flows

Traffic flows can also be used as a barometer of activity. Light vehicle flows are a mixture of people moving about for personal reasons, as well as for work or other business. Heavy vehicle flows, on the other hand, correlate strongly with business activity.

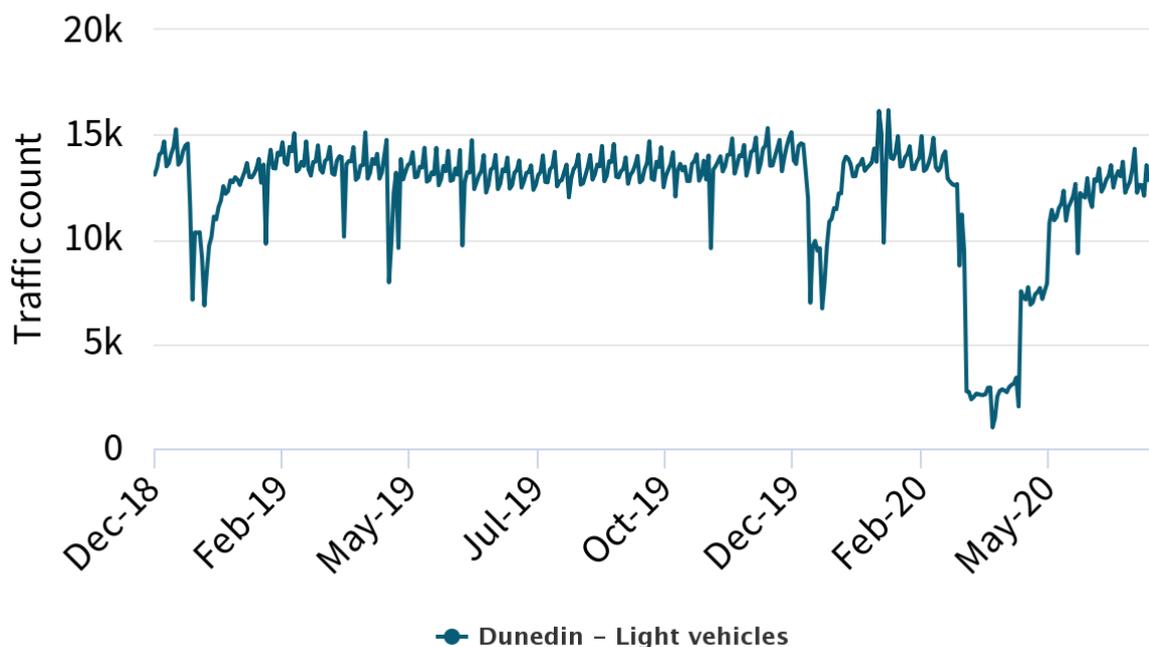
Heavy vehicle traffic count data for Dunedin City from NZTA showed that heavy traffic flows in late April were about a third of their level from a year earlier. But heavy traffic flows have since recovered. During early July, heavy traffic flows were just above their 2019 level, while over the five days to 20 July 2020, heavy traffic flows sat 0.7% below their level from a year ago.

### Dunedin weekly traffic – selected site 5 day average (excluding weekends)



Light vehicle flows in Dunedin during April were running at about a quarter of their usual level. By early July, light traffic flows were sitting just above their level from a year earlier. Over the five days ended 20 July, traffic flows were 1.8% above last year's level.

## Dunedin weekly traffic – selected site 5 day average (excluding weekends)



## Beneficiary numbers

Wage subsidies from central government have ensured that most employees continue to be paid, but the subsidy cannot save all jobs. Data from MSD shows that there was a sharp increase in the number of people accessing Jobseeker support in June as people came off the first wave of the wage subsidy. These job losses occurred despite a second tranche of subsidies being available, and the rapid easing of public health restrictions allowing for more normal demand and supply conditions to return.

In June, there were 3,112 people in Dunedin that were either on a work ready Jobseeker support benefit, or were receiving the new COVID-19 income relief payment for the recently unemployed. By comparison, there were 2,806 people receiving such support in May. The 10.9% increase in the number of Dunedin workers between May and June who turned to MSD for support after losing their jobs compares to a 8.3% increase nationwide.

For further context, between April to May, a period over which the first wage subsidy was in place, there was only 3.4% increase in the number of work ready people in Dunedin seeking Jobseeker Support.

Before the full effects of COVID-19 hit, there were 2,053 receiving a work ready Jobseeker support benefit in Dunedin during March. In percentage terms, across the whole period from March to June, the number of work ready recipients of Jobseeker Support in Dunedin has risen by 52%, compared to a 51% increase nationally over the same period.

