

# REGIONAL ROUNDUP

April 2025



Queenstown, Otago

# CONTENTS AND AUTHOR

Regional overview	3
Northland	7
Auckland	8
Waikato	9
Bay of Plenty	10
Gisborne and Hawke's Bay	11
Taranaki and Manawatu-Whanganui	12
Wellington	13
Nelson, Tasman, Marlborough and West Coast	14
Canterbury	15
Otago	16
Southland	17
Regional confidence survey	18



**Satish Ranchhod**, Senior Economist

+64 9 336 5668 | +64 21 710 852

[satish.ranchhod@westpac.co.nz](mailto:satish.ranchhod@westpac.co.nz)



# REGIONAL OVERVIEW

Our Regional Roundup report summarises feedback that Westpac's teams across the country have heard from households and businesses, giving an 'on the ground' view of the conditions that different regions are experiencing. We've summarised the strength of conditions across the country with our regional "Economic Temperature" gauge. It measures how hot or cold economic activity is compared to average on a number of key fronts, like the labour market, retail spending and the housing market.

## **Conditions are starting to thaw...**

Since our last update, economic conditions have remained cool across the country. However, signs of a thaw are emerging as some of the powerful financial headwinds that have buffeted the economy have eased. Even so, conditions are uneven across the country. Regions with strong rural backbones or links to the international tourism sector are starting to warm up, especially those in the South Island. But it's a different picture in more urban regions, like Auckland and Wellington, where conditions remain cooler.

## **... but the recovery remains gradual and uneven.**

Taking a closer look at the feedback we've received during our recent talks around the country, there were some key themes that stood out. First, economic conditions remain tough. More than six months since the Reserve Bank started cutting interest rates, many businesses have told us that demand remains subdued, with particular softness in parts of the retail, hospitality and construction sectors.

However, many businesses also told us that while conditions remain challenging, they aren't going backwards like they did in recent years. More businesses are also starting to feel optimistic about where the economy was headed over the coming year, thanks mainly to the easing in borrowing costs. There was also an acknowledgement among those we spoke to that the recovery would be gradual, with reductions in inflation and interest rates taking time to ripple through the economy.

In addition to easing financial conditions, increasing commodity prices, from dairy to meat and horticulture, have helped to boost sentiment in many rural regions. That's also already flowing through to a lift in sentiment and spending in some parts of the country.



## **Cost pressures remain a concern...**

Among the big concerns that we heard, inflation remains front of mind for many households and businesses. Even though inflation is back near 2%, households across the country are still dealing with the large cost of living increases we saw over the past few years. Similarly in the business sector, many of those we spoke to told us of continued pressure on operating costs and ongoing margin squeeze. Insurance costs and local council rates were highlighted as particular pain points.

## **... and the tariff war is adding to uncertainty about the outlook.**

Another issue that was unsurprisingly causing some nervousness was the impact of the tariff war. On this front, most businesses weren't certain how they would be affected and were taking a 'watch and see' approach. That uncertainty is one factor why businesses are likely to be cautious about major capital spending for a time yet. The related drop in the New Zealand dollar has been welcomed by exporters, but is adding to costs for other businesses.

## **Labour market conditions have continued to soften.**

Feedback on the labour market remains soft, with many firms saying they had shed staff. Some of that was through restructures, but many were choosing not to replace team members when they left. Few of the firms we spoke to said they were looking to take on new staff. And those that were looking said there were a lot more candidates than in recent years and they tended to be better qualified. We also heard a number of comments from those in the construction sector that staff were leaving and heading to Australia.

## **Town and country – the stars are brighter in the south.**

Canterbury, Otago and Southland remain the strongest performing parts of the country. Improving prices for dairy and other key commodity exports are boosting incomes, sentiment and spending. There's also been an ongoing recovery in international visitor numbers, which has been supporting spending in areas like Queenstown.

It's a different picture in the major urban centres. Businesses we spoke to in Auckland continued to report tough trading conditions. We're also seeing ongoing weakness in Wellington. Like other parts of the country, households in the Capital have faced some tough financial conditions in recent years. And with Wellington's economy heavily oriented towards the service sector, post-pandemic changes in how and where people work have had a big impact on the vibrancy of the central city. On top of that, Wellington isn't seeing the same benefits from the recovery in commodity prices that we're seeing in many rural areas. Nor is it benefiting from the lift in international visitors in the same way as centres like Queenstown and Auckland.

# FEEDBACK FROM THE NORTH ISLAND



## Northland

### Economic temperature: Frosty

“Cautious optimism, just not across the board.”

“A lot of businesses have held on to staff or applied a sinking lid. Hiring new staff is not generally on the cards.”

## Waikato

### Economic temperature: Frosty

“Clients are still struggling with sales. Luxury purchases are not common anymore.”

“Extremely dry in the Waikato, which is having a major impact on dairy farmers.”

## Taranaki/Manawatu-Whanganui

### Economic temperature: Cool

“Some group home builders have the lowest number of projects on the go in three years. This is flowing into subtrades and suppliers.”

“Commercial property construction is moving again, perhaps a sign that lower interest rates are helping investors and developers make the numbers work for their investments.”

## Auckland

### Economic temperature: Cold

“We are still hopeful that 2025 will be better, but overall it remains really challenging.”

“It has been very lumpy. It is good one month and then very weak the next.”

## Bay of Plenty

### Economic temperature: Cold

“Majority of clients have reduced staff numbers over the last 12-18 months.”

“Cost pressures remain a challenge as margins are being squeezed.”

## Gisborne/Hawke's Bay

### Economic temperature: Cold

“Pastoral farmers are feeling a lot more confident after the last two to three years of difficult weather conditions and low prices.”

“Sales and demand are still challenging. Expecting work to pick-up in the second half of 2025.”

## Wellington

### Economic temperature: Cold

“Those relying on discretionary spend are experiencing lower demand.”

“Some staff relocating to Australia to find better paying jobs. Concern as to what this will mean in the future when the market picks up with so much local skill and talent heading off shore.”

# FEEDBACK FROM THE SOUTH ISLAND



## Nelson/Tasman/Marlborough/West Coast

### Economic temperature: Cold

“People are feeling a little more positive than they were six months ago.”

“Sales are holding, although margins have fallen.”

## Canterbury

### Economic temperature: Cool

“Rural service industries have been buoyant thanks to higher dairy prices.”

“It’s been challenging to pass on costs through price increases with businesses wanting to retain their customer base.”

## Southland

### Economic temperature: Cool

“Sales are continuing to increase after a soft 2024 with most advising the improving demand is off the back of the dairy sector and improved payouts.”

## Otago

### Economic temperature: Cool

“Sales remain a mixed bag. Higher end retail sales have been holding up well with some customers having record years. However, for others demand has been weaker than forecast.”

“Staffing remains an issue and probably always will be here in Central Otago.”



## Trading conditions mixed, while demand for staff remains limited.

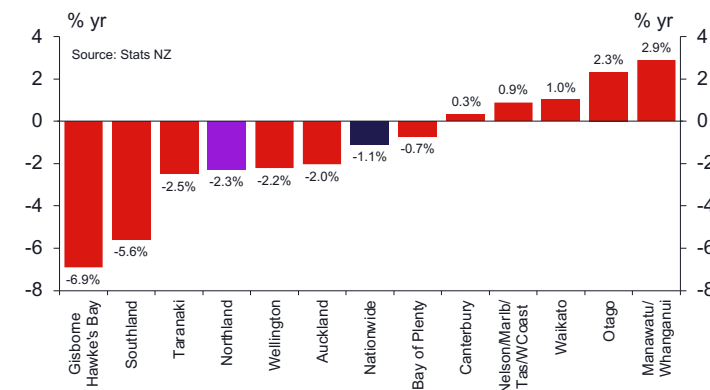
Feedback from businesses in the north has been mixed. There's a growing sense of optimism, but at this stage it's not across the board. One factor that's boosted sentiment has been the firmness in prices for agricultural products, including beef, lamb and dairy. We're also seeing strong demand in the food manufacturing sector, while wholesalers seem to be holding steady. However, those in the heavy industrial sector are struggling. Similarly, softness in the construction sector has flowed through to reduced demand in the timber industry.

Few of those we spoke to were taking on new staff. A number have applied a 'sinking lid' to staff numbers, while others had reduced head count. Among those that were looking for staff, they reported large numbers of applicants and they tended to be higher calibre than seen for a while.

While some businesses noted that cost pressures weren't as stark as they were in previous years, others reported ongoing pressures and that it remained difficult to pass on those costs. Insurance and local authority rates were particular pain points.

The global backdrop is a key concern, with uncertainty regarding the impact of increased US tariffs. While the lower exchange rate had been welcome news for exporters, swings in the New Zealand dollar have been disruptive for importers.

## Filled jobs growth – Year to December



## Regional activity gauges

Indicator	
Unemployment % (level)	6.7
Employment, growth %yr	-2.3
Retail sales, growth %yr	0.6
House prices, growth %yr	-2.6
Residential consents, growth %yr	-21.9
Consumer confidence (vs historic average)	-1.5

Figures based on latest available data.

Source: Stats NZ, REINZ, Westpac

# AUCKLAND

ECONOMIC TEMPERATURE | **COLD**  
UNCHANGED



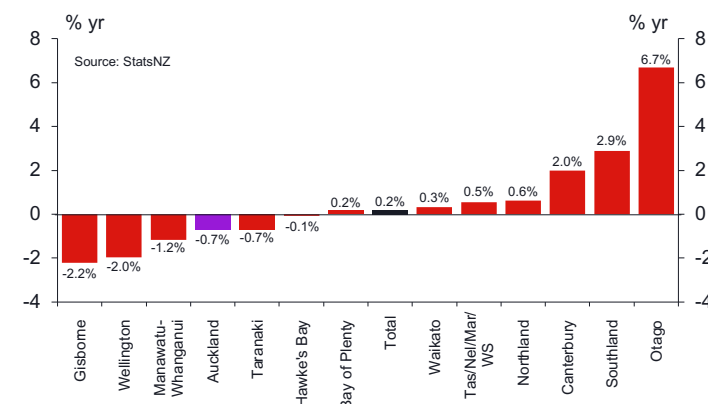
## There's growing optimism, but for now conditions remain challenging.

Businesses we spoke to in Auckland continue to report tough trading conditions, with talk of a 10% reduction on last year being common. There's been particular weakness in the wholesale and retail sectors, especially among those focused on discretionary spending. Some large retailers told us conditions are the worst they've seen in 25 years, with trading activity very uneven on a month-to-month basis. Several manufacturers also reported soft activity. And there's been continued weakness in the construction sector, though some signs of stabilisation have emerged in the sector. It hasn't all been bad news, with some in the grocery (FMCG) sector seeing a resurgence in sales. Despite the current softness, most businesses think that 2025 will be better than 2024.

Subdued trading conditions have seen more talk of restructures, with reductions in staff numbers and hours. There has been a related reduction in wage pressures, with some businesses reducing salaries. However, several businesses told us that they are holding on to skilled staff as they are concerned they will be very hard to replace when operating conditions improve.

Many Auckland businesses have reported continued pressure on margins. While falls in interest rates are a welcome relief, swings in the New Zealand dollar are adding to import costs and that's been difficult to pass on in some cases.

## Retail spending growth by region (three months to December vs same time last year)



## Regional activity gauges

Indicator	
Unemployment % (level)	5.3
Employment, growth %yr	-2.0
Retail sales, growth %yr	-0.7
House prices, growth %yr	-1.8
Residential consents, growth %yr	-9.3
Consumer confidence (vs historic average)	-2.5

Figures based on latest available data.

Source: Stats NZ, REINZ, Westpac





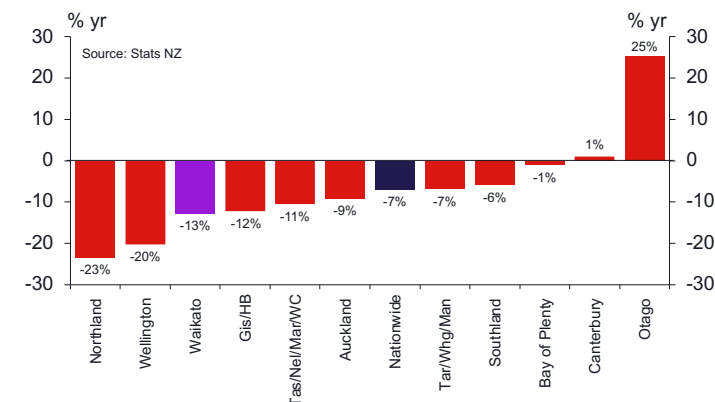
## Sluggish demand and a dry start to the year.

Like in other parts of the country, many businesses in the Waikato told us that they have been struggling with weak sales. There's been particular softness in the constructions sector, with dwelling consent numbers down 13% over the past year. Some retailers are also reporting sluggish sales, with particular weakness in high-end and discretionary spending. Those conditions have resulted in a competitive pricing environment.

In the agricultural sector, dry weather conditions are having a major impact on dairy farmers with low pasture growth increasing the use of more expensive supplementary feed. Drying off decisions are also being made a lot earlier than usual. That's being offset by a higher farmgate milk pay out which is being used to re-pay debt.

Softness in business conditions is evident in the labour market. Unemployment has risen to 6.5%, and the number of job advertisements has fallen sharply. Those in the hospitality sector have noted that it's difficult to retain staff, who will often leave after getting a few months experience.

## Dwelling consent issuance – year to February



## Regional activity gauges

Indicator	
Unemployment % (level)	6.5
Employment, growth %yr	1.0
Retail sales, growth %yr	0.3
House prices, growth %yr	-0.3
Residential consents, growth %yr	-17.7
Consumer confidence (vs historic average)	-7.0

Figures based on latest available data.

Source: Stats NZ, REINZ, Westpac

# BAY OF PLENTY

ECONOMIC TEMPERATURE | **COLD**  
WARMING UP



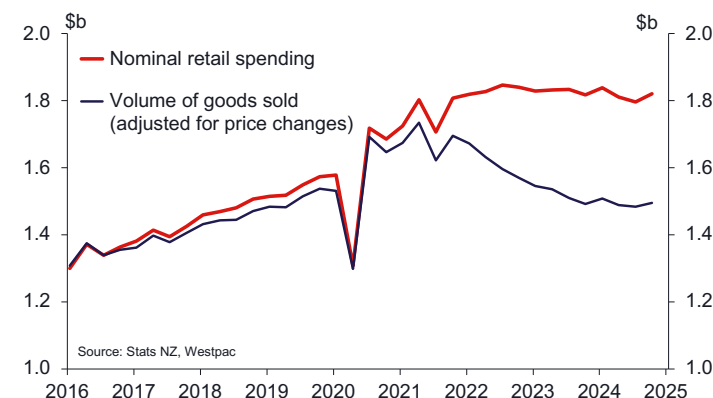
## Still doing it tough.

Businesses we spoke to in the Bay of Plenty told us that conditions remained tough, with some telling us that sales were down 10% to 40%. There's been particular softness in sectors like engineering. Retail spending has also been subdued, and the related run down in stocks has resulted in lower sales in the wholesale sector. In addition to the general sluggishness of the economy, many in the central North Island have been feeling the flow on effects from the closure of the Kinleith Mill, which saw over 200 people lose their jobs. At the more resilient end of the spectrum, conditions in the professional services sector have generally remained stable with workflow coming into peak season.

One bright spot for the region is the Kiwifruit harvest, which is shaping up to be the largest on record. Combined with firm prices, that will boost orchard gate returns, incomes and spending in the region

Many businesses across the Bay of Plenty have reduced staff numbers over the past year. Much of that has been a result of natural attrition, with staff who leave not being replaced. However, in some sectors like infrastructure and charities, staff have been made redundant. Among those businesses that are still looking for staff, they've reported a better pool of potential employees to choose from, many of whom are new migrants.

## Bay of Plenty – Retail spending levels



## Regional activity gauges

Indicator	
Unemployment % (level)	4.8
Employment, growth %yr	-0.7
Retail sales, growth %yr	0.2
House prices, growth %yr	-0.5
Residential consents, growth %yr	3.2
Consumer confidence (vs historic average)	-0.8

Figures based on latest available data.

Source: Stats NZ, REINZ, Westpac

# GISBORNE AND HAWKE'S BAY

ECONOMIC TEMPERATURE | **COLD**  
COOLING DOWN



## A firming outlook for the pastoral sector.

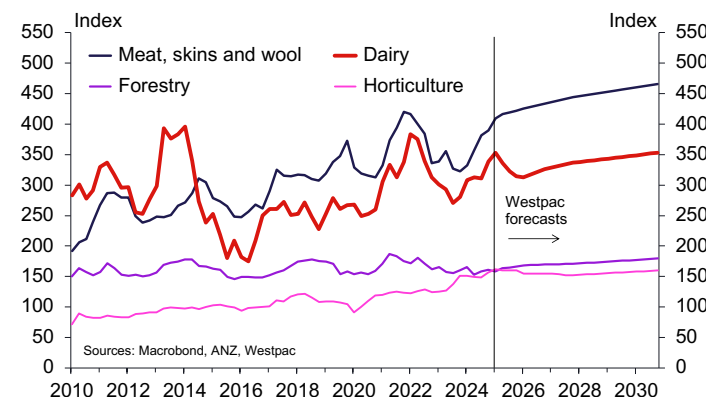
Many businesses in Gisborne and the Hawke's Bay have reported challenging trading conditions, along with pressure on margins. That's in part due to the winddown of earlier cyclone recovery work. Against that backdrop, businesses have been reviewing staffing levels.

But while conditions have been challenging, most of those we spoke to expected to see a pick-up in work in the second half of 2025. Notably, those in the construction sector have reported increased enquiries for new builds.

Confidence in the pastoral sector has lifted. With very good grass growth this season, livestock weights have improved. In addition, export prices for lamb, beef, and dairy have all picked up. Those conditions are likely to encourage increased capital expenditure and other on farm spending, which is helping to boost sentiment among businesses who sell into the agricultural sector. However, there is real concern about how tariffs and instability in financial markets could flow through to New Zealand and borrowing costs.

Conditions have been rockier in the horticulture sector, with the wet summer impacting on some crops, like kiwifruit, vegetables and grapes. Most businesses are waiting for harvests to be complete and then will reassess their capital expenditure.

## Commodity prices



## Regional activity gauges

Indicator	
Unemployment % (level)	3.4
Employment, growth %yr	-6.9
Retail sales, growth %yr	-2.2
House prices, growth %yr	-2.5
Residential consents, growth %yr	-7.7
Consumer confidence (vs historic average)	-5.8

Figures based on latest available data.

Source: Stats NZ, REINZ, Westpac

# TARANAKI AND MANAWATU-WHANGANUI

ECONOMIC TEMPERATURE | **COOL**  
UNCHANGED



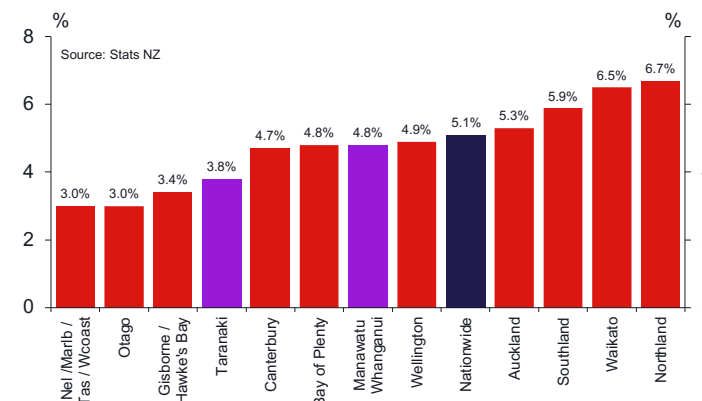
## Soft, but stabilising.

Businesses we spoke to in Taranaki, Whanganui and the Manawatu generally told us that conditions had remained sluggish in recent months, with consumer spending appetites described as ‘conservative.’ There has been a particularly sharp slowdown in residential construction. Some group home builders have the lowest number of projects on the go in three years, and that has been flowing through to subtrades and suppliers. Similarly, conversations with exhibitors at Fieldays pointed to light sales compared to previous years.

But while sales have been soft, conditions are starting to stabilise. In the manufacturing sector, businesses told us previous inventory overhangs are reducing, and sales are returning to normal levels. In addition, commercial property construction is picking up again after the market was dormant over the past couple of years.

With softness in economic conditions, many businesses have had to reduce staffing levels or have chosen not to rehire if an employee leaves. Talking to those businesses that are still looking for staff, they told us it’s become easier to find staff for less specialised roles, though it’s been more difficult to get those with specialised skills like nursing staff, pharmacists and mechanics.

## Unemployment by region



## Regional activity gauges

Indicator	
Unemployment % (level) Manawatu-Whanganui	4.8
Unemployment % (level) Taranaki	3.8
Employment, growth %yr	1.0
Retail sales, growth %yr	-0.8
House prices, growth %yr	-1.3
Residential consents, growth %yr	-4.5
Consumer confidence (vs historic average)	-6.2

Figures based on latest available data.

Source: Stats NZ, REINZ, Westpac



## Continued softness in business conditions and the labour market.

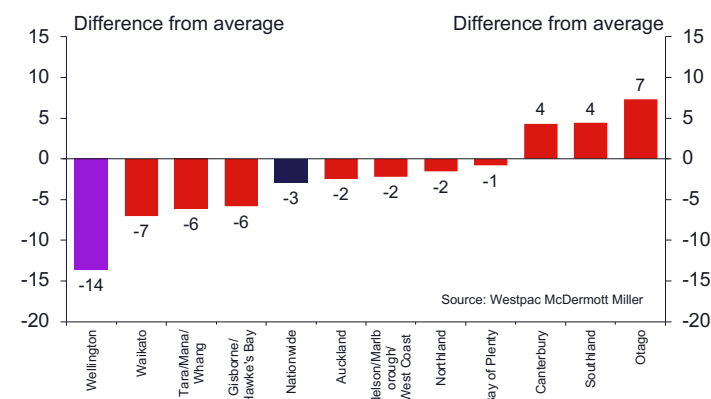
When we spoke to businesses in the Capital, there was a feeling that economic conditions would improve over 2025 after a tough few years. But for now, conditions remain weak. The construction sector has been particular hard-hit, with residential construction levels very low. There's also a limited amount of commercial construction projects coming to market. Larger companies are now completing for smaller repairs and maintenance contracts. That softness has rippled through to related industries like wholesale, logistics and engineering.

It's a similarly soft picture in consumer facing businesses. Retail spending growth lags behind the rest of the country and vehicle registrations are down sharply in the face of continued pressure on households' finances. More generally, many of those we spoke to in the central city highlighted prolonged disruptions as a result of infrastructure work.

Unemployment in Wellington has now risen to 4.9% and job advertisements back at the lows we saw in 2020. While the reduction in government jobs has been well publicised, there have also been losses in the private sector. Many firms are not replacing staff if they leave. Some firms in the construction sector reported that staff have relocated to Australia to find better paying jobs.

Cost pressures remain a key concern, particularly the large increases in rates and insurance premiums.

## Consumer confidence by region (deviation from five year average)



## Regional activity gauges

Indicator	
Unemployment % (level)	4.9
Employment, growth %yr	-2.2
Retail sales, growth %yr	-2.0
House prices, growth %yr	-3.9
Residential consents, growth %yr	-19.8
Consumer confidence (vs historic average)	-13.7

Figures based on latest available data.

Source: Stats NZ, REINZ, Westpac



# NELSON, TASMAN, MARLBOROUGH AND WEST COAST

ECONOMIC TEMPERATURE | **COLD**  
WARMING UP



## Sentiment starting to lift.

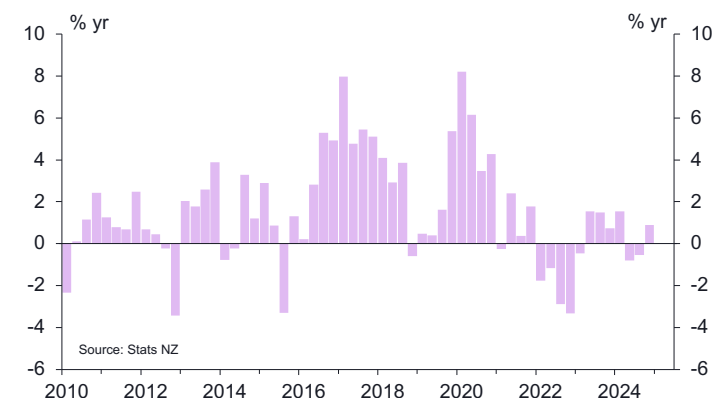
Businesses we spoke to at the top of the South Island are starting to feel a little more positive than they did six months ago. Recent months have seen spending broadly holding steady, although trends have been mixed across the region: while retail sales have been softer in Nelson, they've been more resilient in Marlborough, Tasman and on the West Coast. There have also been mixed conditions in the construction sector, with residential consent numbers holding up in Nelson, but dropping back in other parts of the region.

A particular bright spot is the improving outlook for the region's commodity exports. Recent months have seen rising export prices for meat and dairy. Similarly, apple prices are continuing to tick higher off stronger demand in key export markets. That said, grape growers in Marlborough continue to face tough conditions, with lower wine sales in the domestic and export markets.

While overall economic conditions are generally holding up, margins have fallen. Businesses are focusing on improving operating efficiencies and controlling costs, so they are better position to take advantage when conditions eventually turn.

Unemployment remains low at just 3%. Businesses are conscious of the difficulties associated with attracting good staff. As a result, in some sectors like construction, they are prepared to take a lower margin at present to keep staff busy.

## Nelson/Tasman/Marlborough/West Coast – Employment growth



## Regional activity gauges

Indicator	
Unemployment % (level)	3.0
Employment, growth %yr	0.9
Retail sales, growth %yr	0.5
House prices, growth %yr	-1.6
Residential consents, growth %yr	-15.8
Consumer confidence (vs historic average)	-2.2

Figures based on latest available data.

Source: Stats NZ, REINZ, Westpac



## Holding firm.

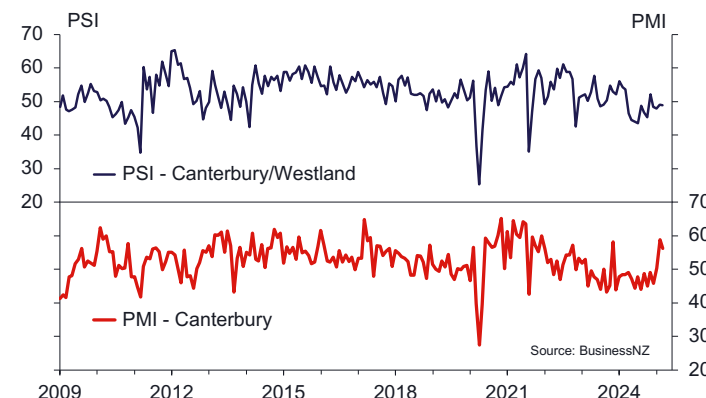
With its diversified economy, Canterbury has been one of the most resilient parts of the country over the past few years. But just as we are seeing in other regions, conditions are mixed across industries. Retail and wholesale businesses that are reliant on households' discretionary spending have reported low demand. There's also been softness in parts of the manufacturing sector. However, other businesses told us that demand has been more resilient. Notably, Canterbury's construction sector has held up better than in other parts of the country (though some operators have still faced challenging conditions).

Improving conditions in the agricultural sector, especially firm prices for dairy exports, have been a welcome boost for farmers and related businesses. However, businesses across Canterbury told us that they are concerned about geopolitical developments. Those concerns were shared even by those not involved in international trade.

Businesses who are looking for staff told us there's been an increase in the number and quality of applicants. However, finding staff for highly specialised roles is still challenging and businesses are doing all they can to retain skilled staff.

Businesses continue to report pressure on operating costs, and with strong competition in some sectors, that's squeezed margins.

## Canterbury – PMI and PSI



## Regional activity gauges

Indicator	
Unemployment % (level)	4.7
Employment, growth %yr	0.3
Retail sales, growth %yr	2.0
House prices, growth %yr	1.9
Residential consents, growth %yr	-1.5
Consumer confidence (vs historic average)	4.3

Figures based on latest available data.

Source: Stats NZ, REINZ, Westpac



## Tourist recovery and an improving agricultural outlook.

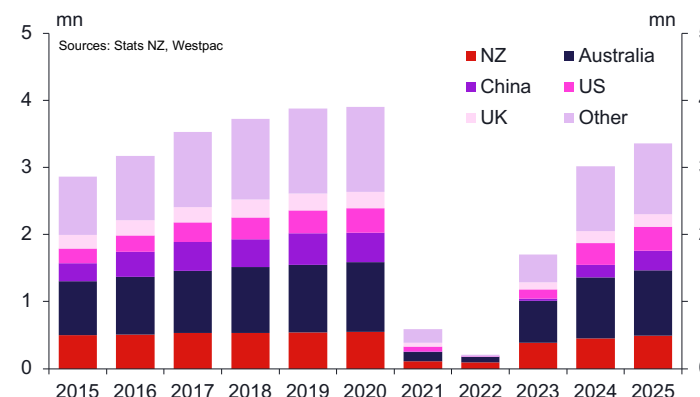
Otago continues to be one of the strongest performing regions in the country. Strengthening agricultural sector conditions bode well for rural earnings and are also helping to boost sentiment in related industries. At the same time, the continuing recovery in international tourist numbers has helped support spending in Queenstown. In contrast to other regions, we've also seen a strong lift in new dwelling consents over the past year.

However, it is a mixed bag with some retailers reporting that spending has been weaker than expected. Some of that softness is thought to be related to earlier high borrowing costs, which has crimped spending by locals. But with interest rates now falling, a lift in spending is expected.

With unemployment of just 3%, Otago's labour market is one of the tightest in the country. Notably, businesses in Queenstown told us that finding suitable staff remains a challenge, and in the hospitality sector that has been a brake on some businesses' operations.

The lower New Zealand dollar has been welcome news for those in the agricultural and international tourism sectors. However, that improved sentiment is being tempered by significant concerns about the impacts of US tariffs, which could impact on international visitor arrivals in the coming months.

## Tourist arrivals by citizenship (January years)



## Regional activity gauges

Indicator	
Unemployment % (level)	3.0
Employment, growth %yr	2.3
Retail sales, growth %yr	6.7
House prices, growth %yr	2.3
Residential consents, growth %yr	23.0
Consumer confidence (vs historic average)	7.3

Figures based on latest available data.

Source: Stats NZ, REINZ, Westpac

# SOUTHLAND

ECONOMIC TEMPERATURE | **COOL**  
UNCHANGED



## Continuing to firm.

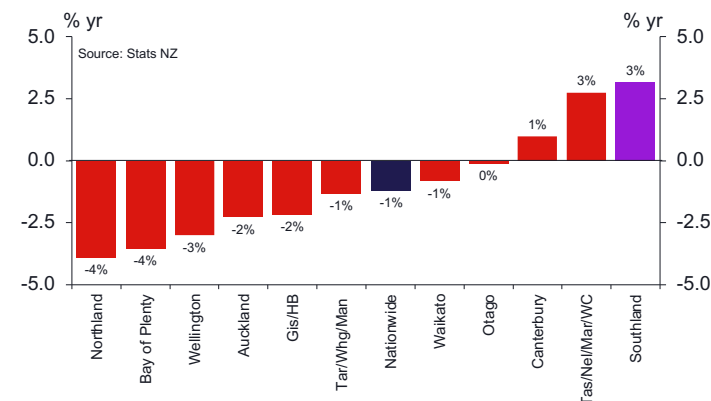
Like other regions with strong rural backbones, Southland's economy is being boosted by the lift in the milk payout and gains in prices for other commodity exports, including beef and lamb. The related increase in incomes has helped to support spending in the region, with retail sales up nearly 3% over the past year. Business confidence has also picked up and a growing number of businesses expect to lift their capital spending over the year ahead.

Southland's housing market has also been firmer than other parts of the country, with sales on the rise and prices up 3% over the past year (in contrast to an average fall of 1% across the country more generally).

But despite the firming in economic conditions, businesses we spoke to still noted some challenges. In particular, there continues to be pressure on operating costs, especially in sectors like retail and hospitality, and that has squeezed profitability.

Southland's labour market has also been softening, with employment levels down 5.6% over the past year and unemployment rising to 5.9%.

## House price growth



## Regional activity gauges

Indicator	
Unemployment % (level)	5.9
Employment, growth %yr	-5.6
Retail sales, growth %yr	2.9
House prices, growth %yr	3.8
Residential consents, growth %yr	0.1
Consumer confidence (vs historic average)	4.4

Figures based on latest available data.

Source: Stats NZ, REINZ, Westpac

# REGIONAL CONFIDENCE SURVEY

Consistent with the mixed economic conditions we're seeing across the country, there was a marked skew in our latest Westpac McDermott Miller Regional Confidence survey. Households in the lower parts of the South Island are reporting improving levels of confidence. At the other end of the distribution, households in Wellington remain the most pessimistic in the country. Those results are summarised in the tables below.

Our **Consumer Confidence survey** (left hand table) looks at whether households are feeling optimistic or pessimistic about their personal finances and the state of the economy more generally. A result over 100 indicates that the number of households who are optimistic outweighs the number who are pessimistic.

Our **Regional Economic Confidence survey** (right hand table) asks households how they feel about the outlook for economic conditions in the specific region they live in. A result over zero indicates that the number of households who are optimistic about the outlook for their region outweighs the number who are pessimistic.

Consumer confidence by region

	Jun-24	Sep-24	Dec-24	Mar-25	Average, past 5 yrs
Northland	85.6	89.6	94.4	88.1	89.6
Auckland	81.0	91.4	106.5	91.3	93.8
Waikato	88.7	96.2	88.5	86.2	93.2
Bay of Plenty	77.6	88.7	98.9	90.6	91.4
Gisborne/Hawke's Bay	85.1	93.8	96.4	85.1	91.0
Taranaki/Manawatu-Whanganui	85.1	86.8	86.0	84.4	90.6
Wellington	79.3	93.1	85.2	80.5	94.2
Nelson/Marlborough/West Coast	80.3	80.1	99.5	85.6	87.8
Canterbury	82.8	93.4	101.4	95.4	91.1
Otago	82.1	80.3	90.8	94.7	87.4
Southland	76.5	88.3	93.5	92.7	88.2
Nationwide	82.2	90.8	97.5	89.2	92.1

Regional economic confidence

	Jun-24	Sep-24	Dec-24	Mar-25	Average, past 5 yrs
Northland	-33	-27	-13	-21	-22.0
Auckland	-34	-13	2	-13	-15.1
Waikato	-13	0	0	-2	-1.6
Bay of Plenty	-17	1	6	7	-4.4
Gisborne/Hawke's Bay	-16	-10	6	-16	-5.4
Taranaki/Manawatu-Whanganui	-9	-6	-5	-13	-1.8
Wellington	-36	-38	-36	-35	-13.8
Nelson/Marlborough/West Coast	-4	-7	4	-4	-0.8
Canterbury	-4	-2	-3	9	-3.4
Otago	-17	-14	-19	5	-9.9
Southland	-9	1	13	11	-0.4



# CONTACT

**Westpac Economics Team**  
[westpac.co.nz/economics](http://westpac.co.nz/economics)  
[economics@westpac.co.nz](mailto:economics@westpac.co.nz)

**Kelly Eckhold**, Chief Economist  
+64 9 348 9382 | +64 21 786 758  
[kelly.eckhold@westpac.co.nz](mailto:kelly.eckhold@westpac.co.nz)

**Satish Ranchhod**, Senior Economist  
+64 9 336 5668 | +64 21 710 852  
[satish.ranchhod@westpac.co.nz](mailto:satish.ranchhod@westpac.co.nz)

**Darren Gibbs**, Senior Economist  
+64 9 367 3368 | +64 21 794 292  
[darren.gibbs@westpac.co.nz](mailto:darren.gibbs@westpac.co.nz)

**Michael Gordon**, Senior Economist  
+64 9 336 5670 | +64 21 749 506  
[michael.gordon@westpac.co.nz](mailto:michael.gordon@westpac.co.nz)

**Paul Clark**, Industry Economist  
+64 9 336 5656 | +64 21 713 704  
[paul.clark@westpac.co.nz](mailto:paul.clark@westpac.co.nz)

Past performance is not a reliable indicator of future performance. The forecasts given in this document are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The ultimate outcomes may differ substantially from these forecasts.

# DISCLAIMER

## Things you should know.

Westpac Institutional Bank is a division of Westpac Banking Corporation ABN 33 007 457 141 ("Westpac").

## Disclaimer.

This material contains general commentary, and market colour. The material does not constitute investment advice. Certain types of transactions, including those involving futures, options and high yield securities give rise to substantial risk and are not suitable for all investors. We recommend that you seek your own independent legal or financial advice before proceeding with any investment decision. This information has been prepared without taking account of your objectives, financial situation or needs. This material may contain material provided by third parties. While such material is published with the necessary permission none of Westpac or its related entities accepts any responsibility for the accuracy or completeness of any such material. Although we have made every effort to ensure the information is free from error, none of Westpac or its related entities warrants the accuracy, adequacy or completeness of the information, or otherwise endorses it in any way. Except where contrary to law, Westpac and its related entities intend by this notice to exclude liability for the information. The information is subject to change without notice and none of Westpac or its related entities is under any obligation to update the information or correct any inaccuracy which may become apparent at a later date. The information contained in this material does not constitute an offer, a solicitation of an offer, or an inducement to subscribe for, purchase or sell any financial instrument or to enter a legally binding contract. Past performance is not a reliable indicator of future performance. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The ultimate outcomes may differ substantially from these forecasts.

## Country disclosures.

**Australia:** Westpac holds an Australian Financial Services Licence (No. 233714). This material is provided to you solely for your own use and in your capacity as a wholesale client of Westpac.

**New Zealand:** In New Zealand, Westpac Institutional Bank refers to the brand under which products and services are provided by either Westpac or Westpac New Zealand Limited ("WNZL"). Any product or service made available by WNZL does not represent an offer from Westpac or any of its subsidiaries (other than WNZL). Neither Westpac nor its other subsidiaries guarantee or otherwise support the performance of WNZL in respect of any such product. The current disclosure statements for the New Zealand branch of Westpac and WNZL can be obtained at the internet address [www.westpac.co.nz](http://www.westpac.co.nz).

**China, Hong Kong, Singapore and India:** This material has been prepared and issued for distribution in Singapore to institutional investors, accredited investors and expert investors (as defined in the applicable Singapore laws and regulations) only. Recipients in Singapore of this material should contact Westpac Singapore Branch in respect of any matters arising from, or in connection with, this material. Westpac Singapore Branch holds a wholesale banking licence and is subject to supervision by the Monetary Authority of Singapore. Westpac Hong Kong Branch holds a banking licence and is subject to supervision by the Hong Kong Monetary Authority. Westpac Hong Kong branch also holds a license issued by the Hong Kong Securities and Futures Commission (SFC) for Type 1 and Type 4 regulated activities. This material is intended only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance. Westpac Shanghai and Beijing Branches hold banking licenses and are subject to supervision by the China Banking and Insurance Regulatory Commission (CBIRC). Westpac Mumbai Branch holds a banking license from Reserve Bank of India (RBI) and subject to regulation and supervision by the RBI.

**UK:** The contents of this communication, which have been prepared by and are the sole responsibility of Westpac Banking Corporation London and Westpac Europe Limited. Westpac (a) has its principal place of business in the United Kingdom at Camomile Court, 23 Camomile Street, London EC3A 7LL, and is registered at Cardiff in the UK (as Branch No. BR00106), and (b) authorised and regulated by the Australian Prudential Regulation Authority in Australia. Westpac is authorised in the United Kingdom by the

Prudential Regulation Authority. Westpac is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. Westpac Europe Limited is a company registered in England (number 05660023) and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

This communication is being made only to and is directed at (a) persons who have professional experience in matters relating to investments who fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (b) high net worth entities, and other persons to whom it may otherwise lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). Any person who is not a relevant person should not act or rely on this communication or any of its contents. The investments to which this communication relates are only available to and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such investments will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely upon this communication or any of its contents. In the same way, the information contained in this communication is intended for “eligible counterparties” and “professional clients” as defined by the rules of the Financial Conduct Authority and is not intended for “retail clients”. With this in mind, Westpac expressly prohibits you from passing on the information in this communication to any third party. In particular this communication and, in each case, any copies thereof may not be taken, transmitted or distributed, directly or indirectly into any restricted jurisdiction. This communication is made in compliance with the Market Abuse Regulation (Regulation(EU) 596/2014).

### **Investment recommendations disclosure.**

The material may contain investment recommendations, including information recommending an investment strategy. Reasonable steps have been taken to ensure that the material is presented in a clear, accurate and objective manner. Investment Recommendations for Financial Instruments covered by MAR are made in compliance with Article 20 MAR. Westpac does not apply MAR Investment Recommendation requirements to Spot Foreign Exchange which is out of scope for MAR.

Unless otherwise indicated, there are no planned updates to this Investment Recommendation at the time of publication. Westpac

has no obligation to update, modify or amend this Investment Recommendation or to notify the recipients of this Investment Recommendation should any information, including opinion, forecast or estimate set out in this Investment Recommendation change or subsequently become inaccurate.

Westpac will from time to time dispose of and acquire financial instruments of companies covered in this Investment Recommendation as principal and act as a market maker or liquidity provider in such financial instruments.

Westpac does not have any proprietary positions in equity shares of issuers that are the subject of an investment recommendation.

Westpac may have provided investment banking services to the issuer in the course of the past 12 months.

Westpac does not permit any issuer to see or comment on any investment recommendation prior to its completion and distribution.

Individuals who produce investment recommendations are not permitted to undertake any transactions in any financial instruments or derivatives in relation to the issuers covered by the investment recommendations they produce.

Westpac has implemented policies and procedures, which are designed to ensure conflicts of interests are managed consistently and appropriately, and to treat clients fairly.

The following arrangements have been adopted for the avoidance and prevention of conflicts in interests associated with the provision of investment recommendations.

- (i) Chinese Wall/Cell arrangements;
- (ii) physical separation of various Business/Support Units;
- (iii) and well defined wall/cell crossing procedures;
- (iv) a “need to know” policy;
- (v) documented and well defined procedures for dealing with conflicts of interest;
- (vi) steps by Compliance to ensure that the Chinese Wall/Cell arrangements remain effective and that such arrangements are adequately monitored.

**U.S:** Westpac operates in the United States of America as a federally licensed branch, regulated by the Office of the

Comptroller of the Currency. Westpac is also registered with the US Commodity Futures Trading Commission (“CFTC”) as a Swap Dealer, but is neither registered as, or affiliated with, a Futures Commission Merchant registered with the US CFTC. Westpac Capital Markets, LLC (“WCM”), a wholly-owned subsidiary of Westpac, is a broker-dealer registered under the U.S. Securities Exchange Act of 1934 (“the Exchange Act”) and member of the Financial Industry Regulatory Authority (“FINRA”). This communication is provided for distribution to U.S. institutional investors in reliance on the exemption from registration provided by Rule 15a-6 under the Exchange Act and is not subject to all of the independence and disclosure standards applicable to debt research reports prepared for retail investors in the United States. WCM is the U.S. distributor of this communication and accepts responsibility for the contents of this communication. All disclaimers set out with respect to Westpac apply equally to WCM. If you would like to speak to someone regarding any security mentioned herein, please contact WCM on +1 212 389 1269. All disclaimers set out with respect to Westpac apply equally to WCM.

Investing in any non-U.S. securities or related financial instruments mentioned in this communication may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the SEC in the United States. Information on such non-U.S. securities or related financial instruments may be limited. Non-U.S. companies may not subject to audit and reporting standards and regulatory requirements comparable to those in effect in the United States. The value of any investment or income from any securities or related derivative instruments denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related derivative instruments.

The author of this communication is employed by Westpac and is not registered or qualified as a research analyst, representative, or associated person under the rules of FINRA, any other U.S. self-regulatory organisation, or the laws, rules or regulations of any State. Unless otherwise specifically stated, the views expressed herein are solely those of the author and may differ from the information, views or analysis expressed by Westpac and/or its affiliates.



Westpac Banking Corporation.