

Robert—
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New Zealand

Labour Market Report

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New Zealand

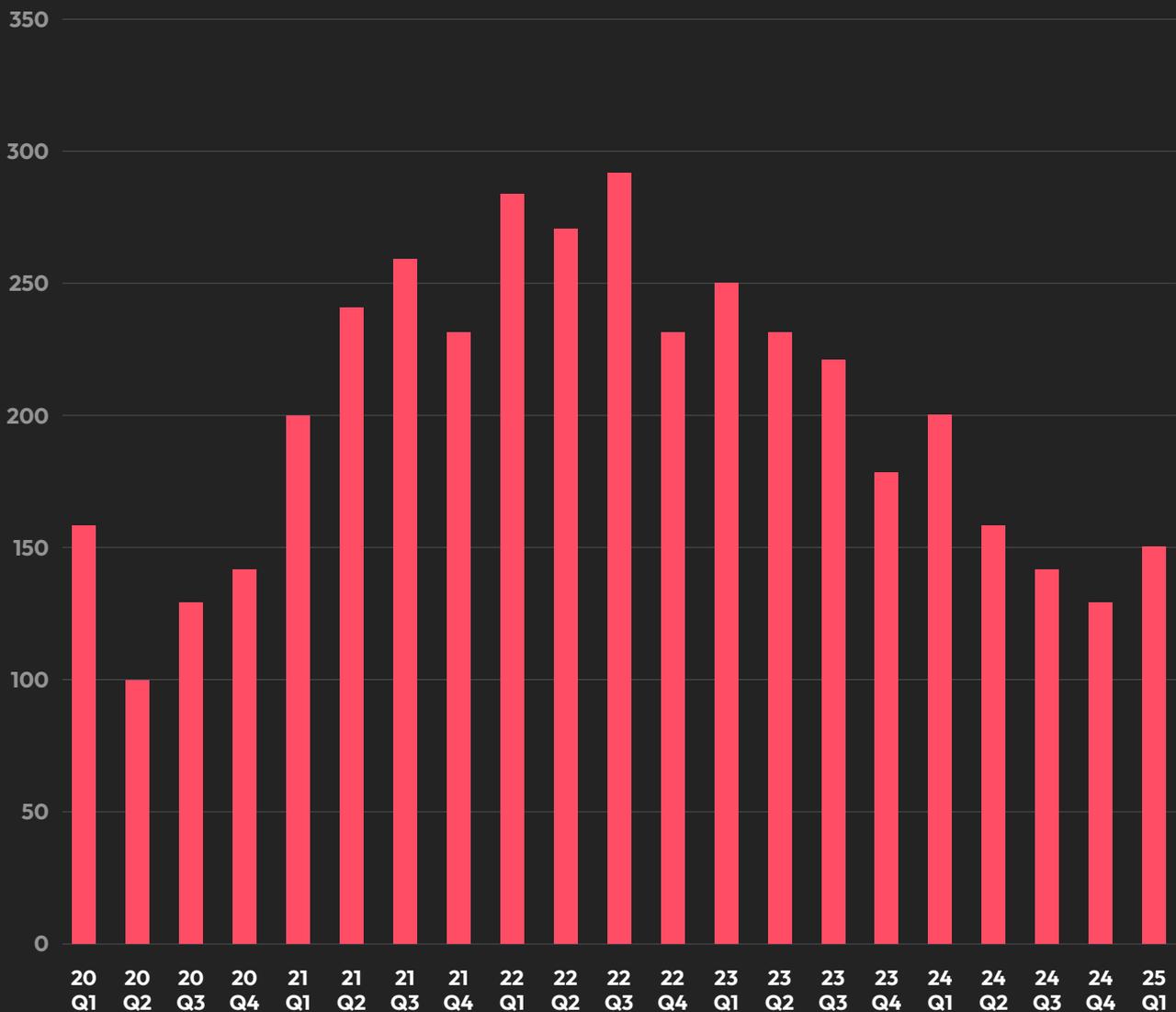
New Zealand is emerging from a subdued economic period. A steady recovery is gaining momentum as monetary easing, targeted fiscal policy, and investment incentives support growth and job creation. However, with persistent labour slack and global uncertainty, policymakers are trading carefully to balance risks and ensure sustainable improvements.

Job postings show signs of stabilisation

Vacancies in New Zealand have shown signs of recovery with slight signs of stabilisation in early 2025. This follows a downward trend in postings in both 2023 and 2024. The job vacancy index peaked in Q3 2022. Job Vacancies in New Zealand averaged 143.20 index points from 2007 until 2025, reaching an all-time high of 313.40 index points in Q3 2022 and a record low of 55.20 index points Q3 2009.

Whilst vacancies have recovered this year, concerningly, the underutilisation rate (unemployment + underemployment + discouraged workers) rose to 12.3%, indicating labour market slack (the gap between the desired amount of work by workers and the actual amount of work available).

New Zealand Job Vacancy Index Q1 2020 – Q1 2025 (MIBE, New Zealand)



Economic downturn sees living standards decrease

New Zealand was quick to respond to the pandemic with early border closures and economic stimulus, both actions fanned inflationary pressures and pushed house prices to historic highs. As a result, the central bank hiked interest rates at the fastest pace in its history while the government rapidly turned off the fiscal tap, throwing the economy into recession.

This has had a detrimental impact on living standards. A report by the Salvation Army found that 400,000 people needed welfare support, the most since the 1990s. Food insecurity and homelessness have

both risen. “I think there’s only a handful of occasions when life has been tougher for people than it is today”, said Murray Edridge, of Wellington City Mission.

Compounding matters, New Zealand’s economic productivity is below that of most peers and saddled with high residential property debt. The government is now pushing policies it says will improve growth such as reducing regulation, supporting mining, and investing in tourism.

Golden visa demands result in increase for international talent

Demand for New Zealand’s “golden visas” has increased sharply under new relaxed rules, with most of the new applications coming from the U.S. New Zealand eased the rules of its golden visa programme in February as part of a push by Prime Minister Christopher Luxon’s government to attract more foreign investment to boost the country’s flagging economy.

The new scheme, which came into effect in April, removed English-language requirements and lowered the investment threshold for the “growth” visas to NZ\$5m. Applicants must spend just 21 days in the country to establish residency, down from three years. The application process has also been cut to 11 days, on average.

Of the new applications, the majority have come from the U.S., the largest single source country, followed by Hong Kong and China, according to the immigration department.

Number of professionals leaving New Zealand to Australia highest in a decade

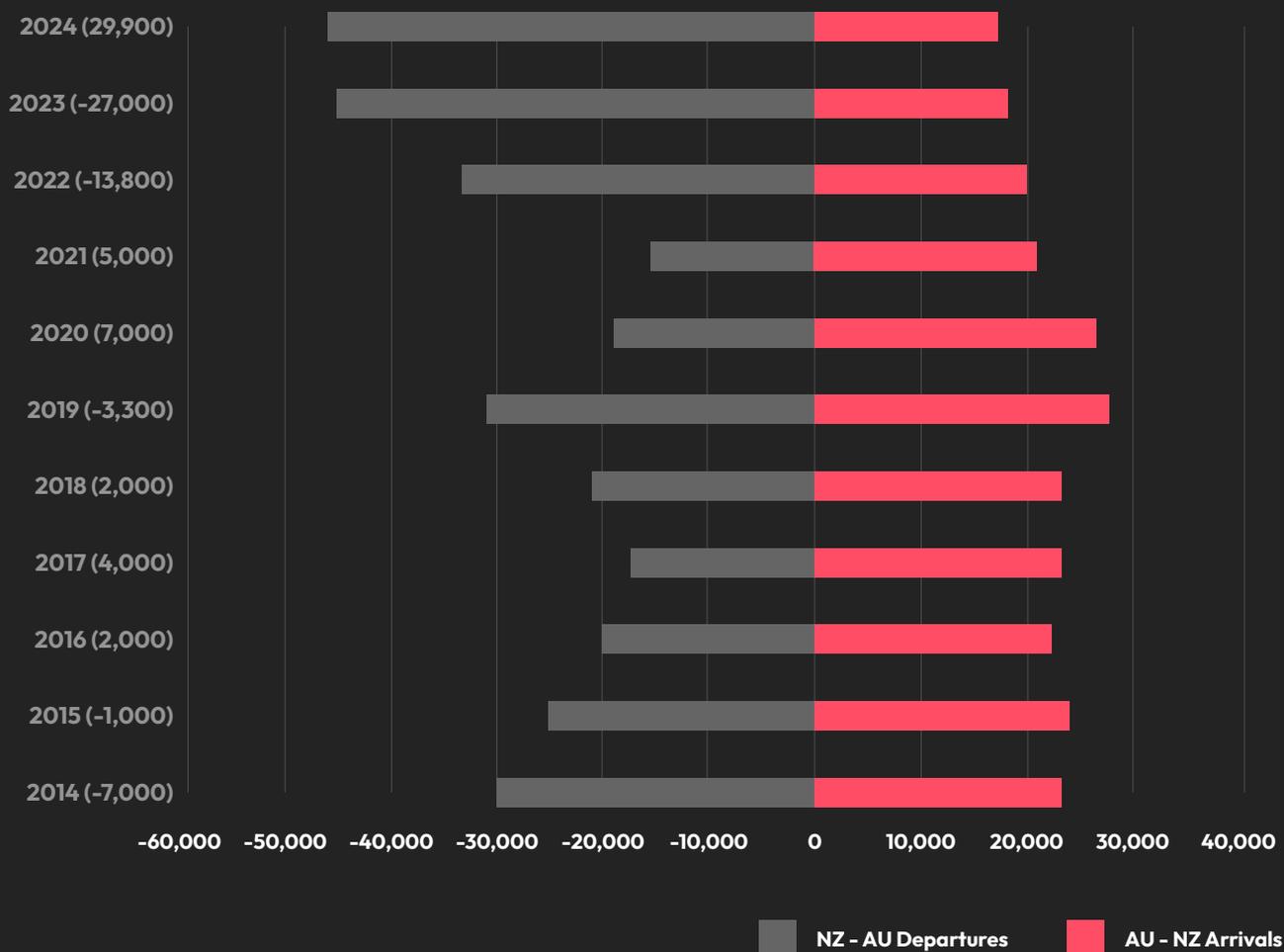
This economic slump has also seen more New Zealanders seek greater opportunities abroad. Across the Tasman Sea, Australia's economy has fared much better by comparison, with unemployment near record lows, making it a favourable destination. Since 1973, Australians and New Zealanders have been able to live and work in either country without restriction.

sharply back toward Australia, with annual net outflows now averaging over 20,000 the highest in over a decade, many of whom work in mining and construction.

Overall, net immigration has fallen significantly with 27,100 net immigrants in 2024, down from 128,300 in 2023.

While New Zealand still records more immigrants than emigrants, there are now more than half a million New-Zealand-born people residing in Australia. The Trans-Tasman flow reversed during the pandemic, briefly favouring NZ, but swung

New Zealand Australia Migration Figures 2014-2024 (Stats NZ)





Trends in brief

- 1** As of June, New Zealand's central bank cut interest rates for a 6th straight meeting to boost economic growth.
- 2** The Reserve Bank of New Zealand has started easing its Official Cash Rate (OCR), already cut to 3.75%, with markets expecting further cuts to around 3.0% by year-end.
- 3** Foreign direct investment only reached NZ\$6.1bn in the year to March 2024, less than half the NZ\$12.7bn recorded the previous year.



Outlook

- Annual GDP growth is forecast to fall from -1.1% to 1.0% by the end of 2025.
- Unemployment is forecast to rise from 5.1% to 5.3% by the end of 2025.

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