

CONFIDENCE SURVEY

**Westpac McDermott Miller Employment
Confidence, September quarter 2025.**

24 September 2025



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SUMMARY

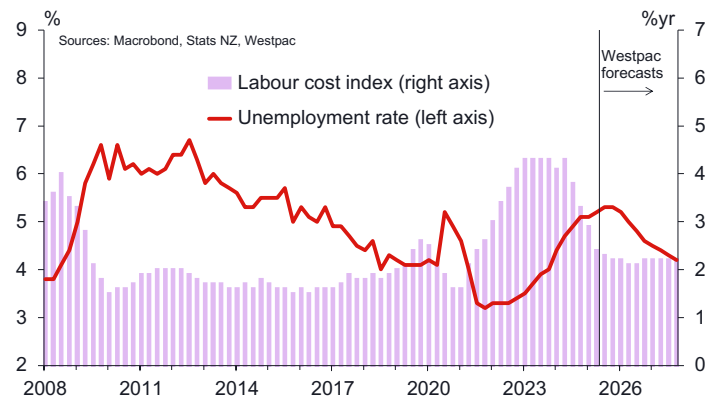
Employment confidence continues to languish.

- Despite nudging higher in recent months, confidence about the state of New Zealand's labour market remains low.
- The Westpac-McDermott Miller Employment Confidence Index rose by 1.1 points to 89.9 in the September quarter. Confidence in the labour market has effectively remained unchanged over the past year, and remains close to the lows seen after the first Covid lockdown in 2020. (Note: A level below 100 indicates that there are more households who are pessimistic about the outlook than those who are optimistic).
- A perceived lack of job opportunities and low job security continue to be key concerns for New Zealanders.
- The survey results follow ongoing softness in economic activity and the labour market in recent months. While economic activity is expected to gradually firm over the coming year, the jobs market and wage growth look set to remain soft for some time yet. We're forecasting the unemployment rate will nudge higher to 5.3% through the latter part of the year.

Employment Confidence Index



Westpac labour market forecasts



EMPLOYMENT CONFIDENCE INDICES

Nationwide

	Sep-25	Jun-25	Change
Employment Confidence Index	89.9	88.8	1.1
Current Employment Conditions Index	76.3	76.6	-0.3
Employment Expectations Index	99.0	97.0	2.0
Current job opportunities	-57.6	-50.0	-7.6
Expected job opportunities	-23.1	-24.6	1.5
Past earnings growth	10.1	3.3	6.8
Expected earnings growth	23.3	18.7	4.6
Own job security	-3.1	-3.2	0.1

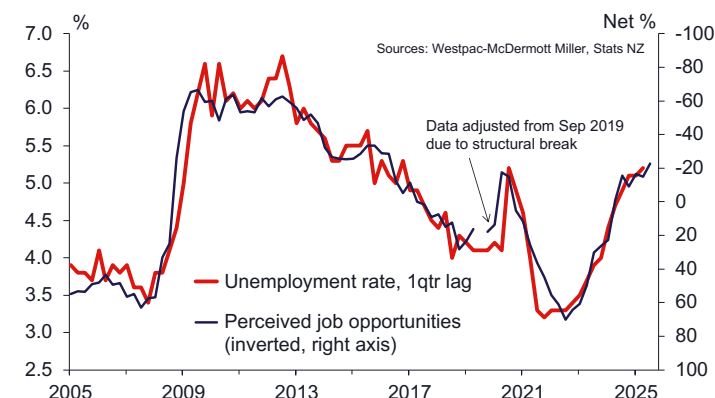
Consumer confidence by region

	Sep-25	Jun-25	Change
Northland	78.0	94.3	-16.3
Auckland	89.5	89.1	0.4
Waikato	93.9	78.7	15.2
Bay of Plenty	92.0	91.3	0.7
Gisborne/Hawke's Bay	90.8	93.2	-2.4
Taranaki/Manawatu-Whanganui	83.7	81.8	1.9
Wellington	83.7	80.3	3.4
Nelson/Marlborough/West Coast	85.0	82.8	2.2
Canterbury	87.0	89.7	-2.7
Otago	91.2	93.4	-2.2
Southland	99.6	101.8	-2.2

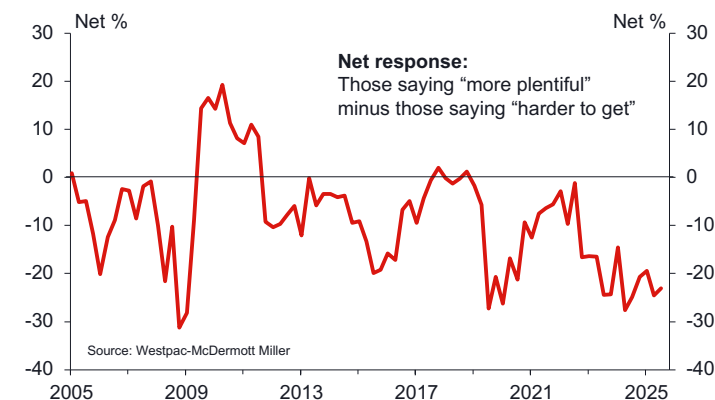
JOB OPPORTUNITIES

- It's still a tough market for job seekers.
- Around two-thirds of those we spoke to told us that it's hard to get a job. That's a further deterioration from our last survey in June, with perceptions about job availability at their weakest since the 2020 Covid lockdown.
- This measure has tended to be a good leading indicator of the unemployment rate, and reinforces our expectations that the unemployment rate will push higher to around 5.3% through the latter part of the year.
- Households aren't optimistic that the picture for the jobs market will turn around quickly either. Despite nudging higher this quarter, most New Zealanders still expect that job opportunities will remain limited over the year ahead.
- New Zealanders' downbeat assessment of the labour market chimes with other recent data. Employment levels have fallen by 0.9% over the past year. And while job advertisements have started to turn higher, for now they remain very low.

Current job opportunities vs unemployment rate



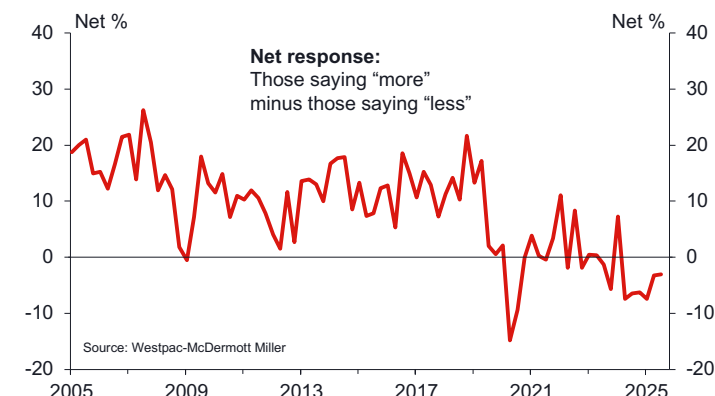
Job opportunities in NZ in a year's time



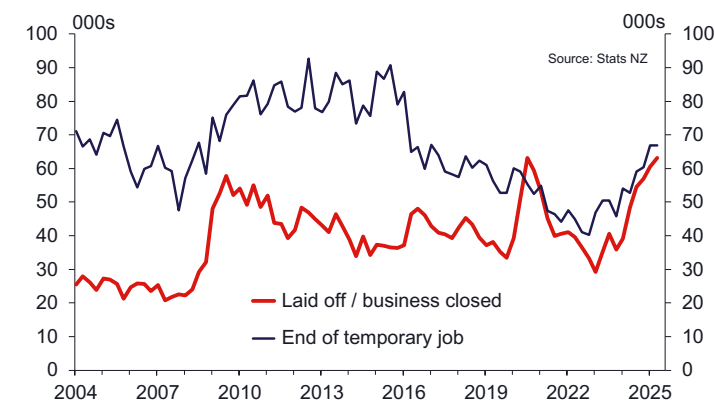
JOB SECURITY

- With a soft economy and ongoing job losses, many of those in employment are concerned about their job security.
- 24% of those we spoke to thought that their job would become less secure over the coming year – well above average. In contrast, 20% of people thought their job would be more secure. That's up from 18% last quarter, but still low.
- While job security is low across all age groups, there's particular nervousness among younger respondents (under 30) and those aged over 50. Women are also feeling less secure about their jobs compared to men. Workers in all of these groups are often involved in parts of the jobs market that are highly cyclical, like the retail and hospitality sectors where there are also a large number of temporary and part-time positions. And with tough trading conditions in recent months, those are parts of the economy that have seen sizeable job losses.

Personal job security over the coming year



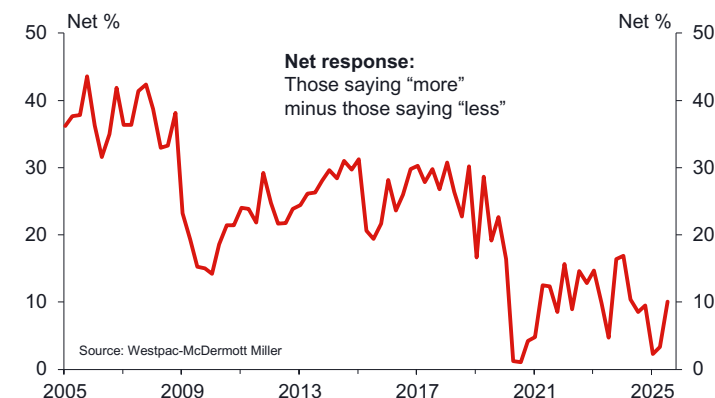
HLFS: Reason for leaving last job



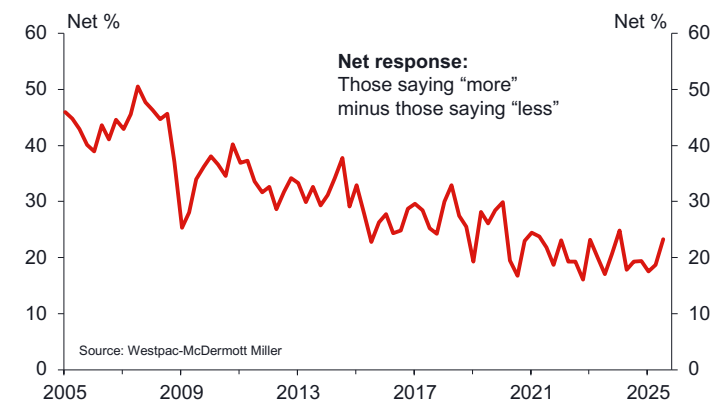
EARNINGS GROWTH

- Despite the softness in the jobs market, the number of workers who reported that their earnings has increased over the past year has picked up to 10% (up from 3% in our last survey). While that's encouraging, it's still fairly low.
- Looking ahead, the number of workers who expect their earnings to rise over the year ahead has picked up to its highest level since the start of 2024.
- For those who are getting wage increases, they have tended to be more moderate than in previous years. Stats NZ's Labour Cost Index for the year to June showed that an increasing number of workers are getting wage increases of 3 to 5% (or less), with a continued decline in the numbers receiving increases of 5% or more.
- The growing degree of slack in the labour market means that workers' negotiating power has decreased, and with inflation back within the target range, cost-of-living increases have been correspondingly smaller.

Earnings in paid work compared to last year



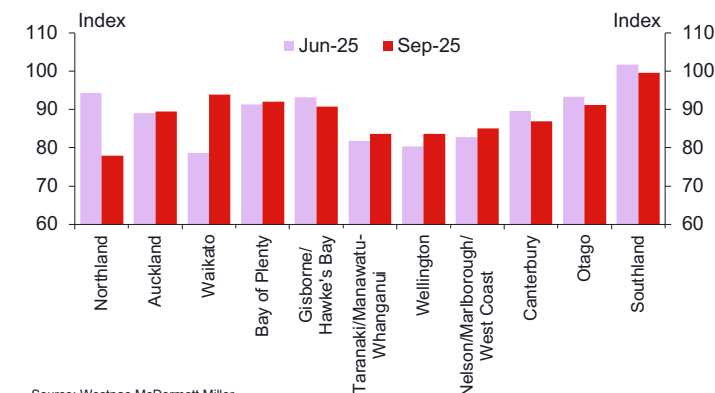
Earnings in paid work this time next year



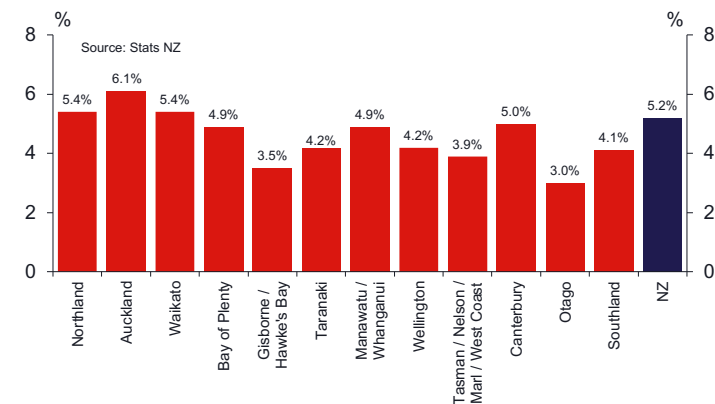
REGIONAL CONFIDENCE

- Confidence in the labour market is soggy right across the country. It's particularly weak in Northland, with growing concerns about job security and earnings growth.
- Labour market confidence is also very low in Wellington and other parts of the lower North Island, with weak economic conditions weighing on employment opportunities.
- Similarly, those we spoke to in the Nelson, Marlborough and West Coast regions also highlighted concerns about job opportunities and earnings growth, with a number of business closures in recent months.
- In contrast, confidence has been more resilient in our dairying powerhouse regions, including Southland, Otago and Waikato. Firmness in commodity export prices has been boosting incomes, and that's helping to support spending and the demand for labour. As a result, concerns about job security are less acute in these regions than in other parts of the country.

Employment confidence by region



Unemployment by region



TECHNICAL DETAILS

Survey description.

The Westpac-McDermott Miller Employment Confidence Index summarises responses to five questions: households' perceptions of current and future job opportunities, their own actual and expected earnings, and expected changes in their own job security.

The questions about current job opportunities and earnings are summarised in the Current Employment Conditions Index, while the questions about the year ahead are summarised in the Employment Expectations Index.

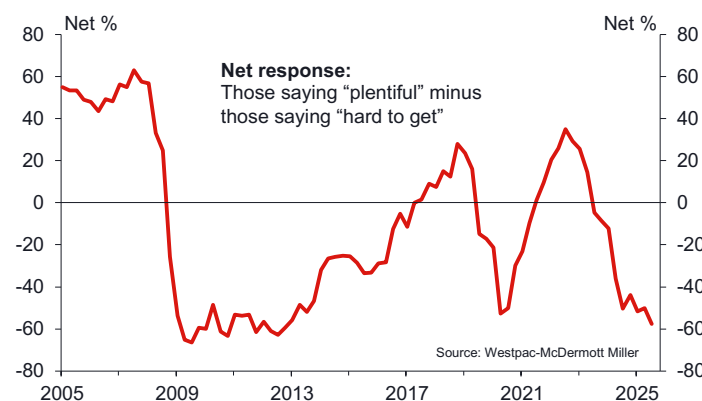
Survey interviews were conducted over the period 1-12 September. The sample size was 1,550. The margin of error of the survey is 2.5%.

Summary charts.

Employment Confidence Indices



Do you think jobs are plentiful or hard to get in NZ?



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