

CONFIDENCE SURVEY

Westpac McDermott Miller Employment Confidence, December quarter 2025.

14 January 2026



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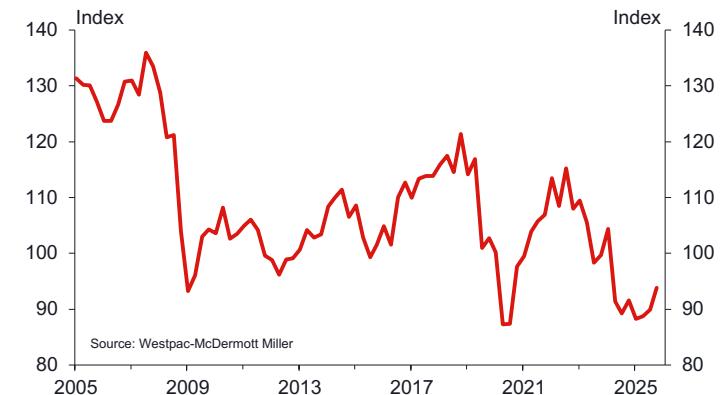


SUMMARY

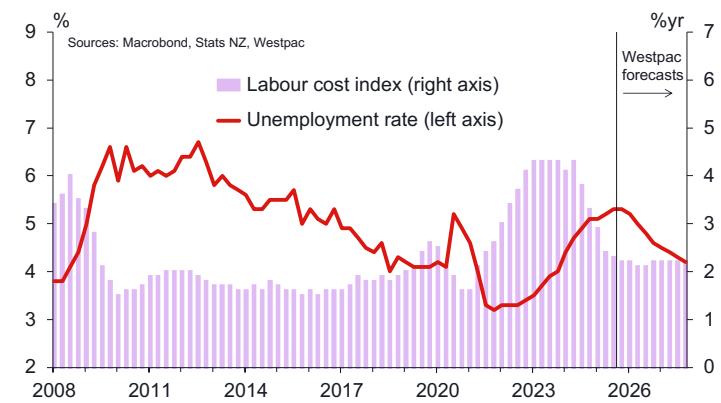
A modest improvement in the labour market outlook.

- The Westpac-McDermott Miller Employment Confidence Index rose by 3.9 points to 93.8 in the December quarter. This is the highest reading since early 2024, though it remains in subdued territory. (A level below 100 indicates that there are more households who are pessimistic about the outlook than those who are optimistic.)
- The lift in confidence was rooted more in hopes for the year ahead, with the expectations index rising by 5 points while the current conditions index rose only 2 points.
- Jobs remain hard to come by at present, although this measure improved slightly in the latest quarter.
- Perceptions of job security and opportunities in the year ahead have seen more of an improvement.
- Although we expect economic activity to firm over 2026, the labour market tends to be a lagging element of the cycle. Hence, while we think that the unemployment rate has likely peaked at its current level of 5.3%, we expect only a gradual improvement over the course of this year.

Employment Confidence Index



Westpac labour market forecasts



EMPLOYMENT CONFIDENCE INDICES

Nationwide

	Dec-25	Sep-25	Change
Employment Confidence Index	93.8	89.9	3.9
Current Employment Conditions Index	78.3	76.3	2.0
Employment Expectations Index	104.1	99.0	5.1
Current job opportunities	-54.5	-57.6	3.1
Expected job opportunities	-13.6	-23.1	9.5
Past earnings growth	11.1	10.1	1.0
Expected earnings growth	21.7	23.3	-1.6
Own job security	4.2	-3.1	7.3

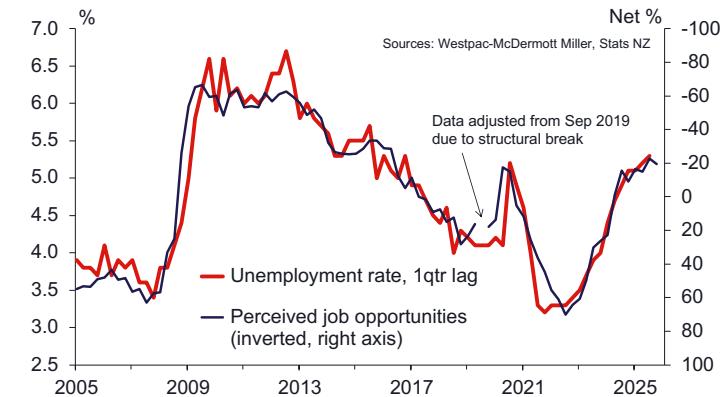
Employment confidence by region

	Dec-25	Sep-25	Change
Northland	85.5	78.0	7.5
Auckland	95.6	89.5	6.1
Waikato	88.9	93.9	-5.0
Bay of Plenty	89.7	92.0	-2.3
Gisborne/Hawke's Bay	93.5	90.8	2.7
Taranaki/Manawatu-Whanganui	89.1	83.7	5.4
Wellington	80.5	83.7	-3.2
Nelson/Marlborough/West Coast	100.8	85.0	15.8
Canterbury	91.9	87.0	4.9
Otago	97.2	91.2	6.0
Southland	90.2	99.6	-9.4

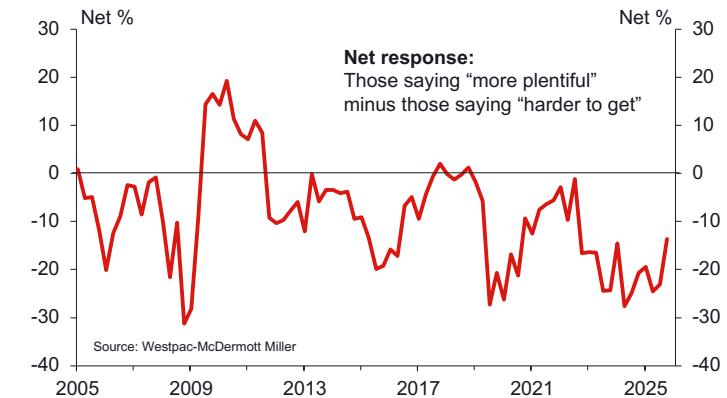
JOB OPPORTUNITIES

- It's still a tough market for job seekers. Almost two-thirds of respondents in the December quarter survey said that it's hard to find a job at the moment, while only 8% felt that jobs are readily available.
- That is, however, a small improvement on the September quarter survey.
- This measure has tended to be a good leading indicator of the unemployment rate. The latest reading is consistent with the unemployment rate holding steady at its current 5.3%.
- This would also chime with some more positive recent indicators of the labour market, such as the Quarterly Survey of Business Opinion and a modest lift in job advertisements. Stats NZ's weekly snapshots of filled jobs suggest we'll see a solid rise in the Monthly Employment Indicator for November, which will be released later this morning.
- On balance, households still think that job opportunities will be limited in a year from now. However, this measure was the least negative that it's been since September 2022.

Current job opportunities vs unemployment rate



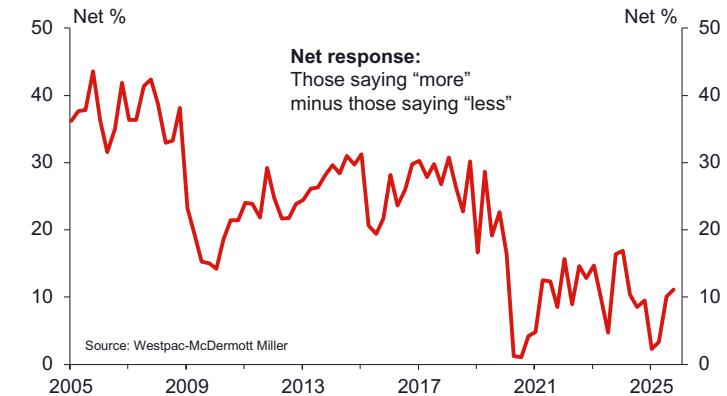
Job opportunities in NZ in a year's time



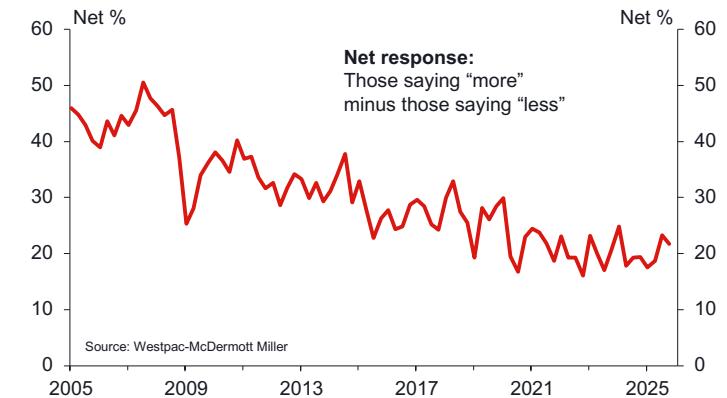
EARNINGS GROWTH

- The earnings growth measures were little changed in the December survey, after recording decent gains in September.
- A net 11% of households reported a rise in their earnings over the last year. A net 22% expect a lift in their earnings in the year ahead. Both of these measures remain low relative to history.
- For those getting wage increases, they have tended to be more moderate than in previous years. Stats NZ's Labour Cost Index for the year to September showed a continued shift towards pay rises in the 2-3% range, and far fewer roles seeing pay rises of 5% or more.
- The degree of slack in the labour market means that workers' negotiating power has decreased, and with inflation back in the target range, cost-of-living increases have been correspondingly smaller.

Earnings in paid work compared to last year



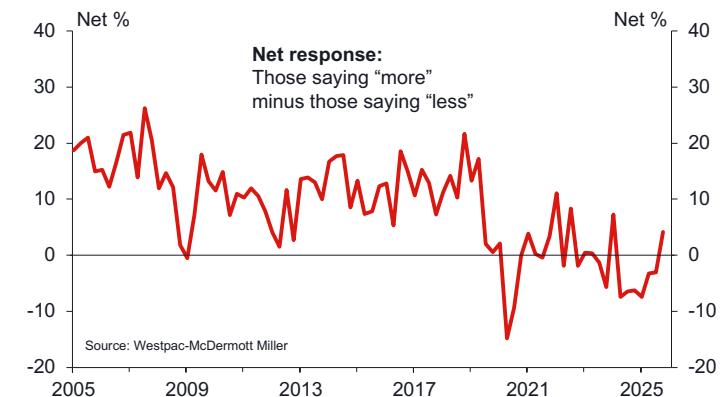
Earnings in paid work this time next year



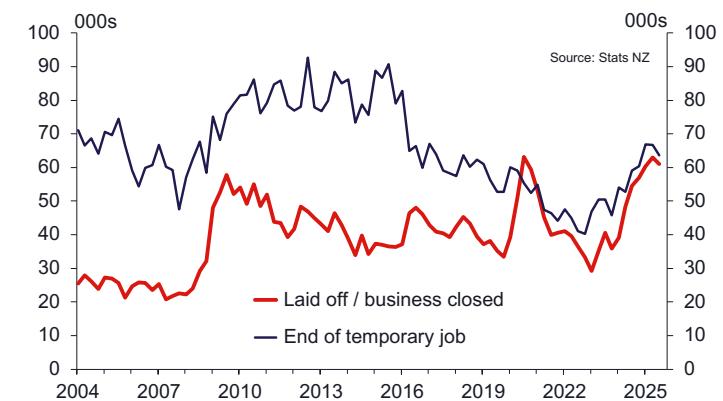
JOB SECURITY

- On balance, New Zealanders are more optimistic about their own job security in the year ahead. This was the first positive reading since March 2024.
- The lift in perceived job security was strongest among young people and those on low incomes. Women feel less secure about their jobs compared to men, although this gap narrowed in the December quarter.
- Workers in all of these groups are often involved in highly cyclical sectors such as retail and hospitality, where there are also a large number of temporary and part-time positions.
- High-income earners saw a smaller improvement in job security, although they were the most confident in the first place.
- The September quarter labour force survey suggested that the number of people out of work due to their job disappearing may be peaking. That said, layoffs have only been part of the story – there has also been a rise in the duration of unemployment, as once people are out of work they have found it hard to get back in again.

Personal job security over the coming year



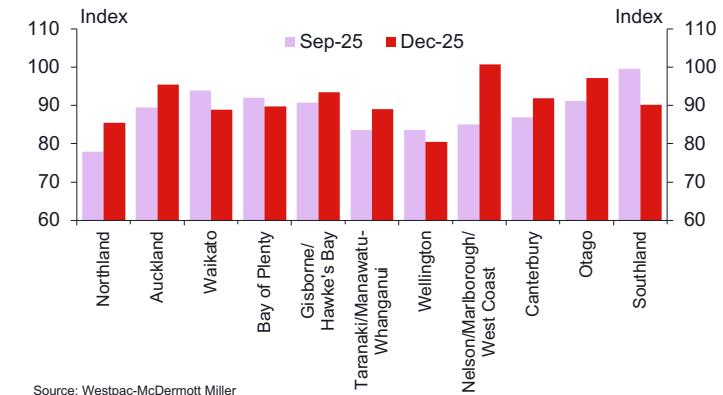
HLFS: Reason for leaving last job



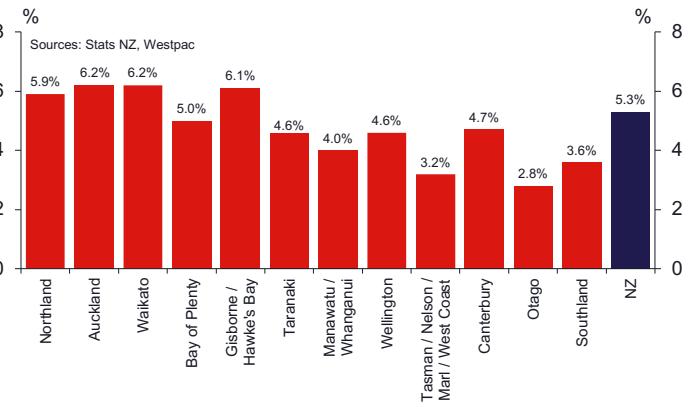
REGIONAL CONFIDENCE

- Perceptions of the labour market were mixed across the country, with only one region reaching above the 100 mark. Employment confidence rose in seven regions and fell in four over the December quarter.
- The strongest results were seen in the north and west of the South Island. Otago also saw a solid rise and was the second most confident region. Both of these regions are seeing relatively low levels of unemployment at the moment.
- Confidence fell in the Wellington region, leaving it at the bottom of the rankings. The fall in the December quarter was driven by earnings growth rather than job availability.
- While the more dairying-intensive regions of the country saw a lift in confidence in previous quarters, the December results were more mixed. In particular, the earnings measures were softer in Northland, Waikato, Canterbury and Southland. Falling world dairy prices and a downgrade to Fonterra's farmgate milk price forecast may have weighed on expectations for the wider regions.

Employment confidence by region



Unemployment by region



TECHNICAL DETAILS

Survey description.

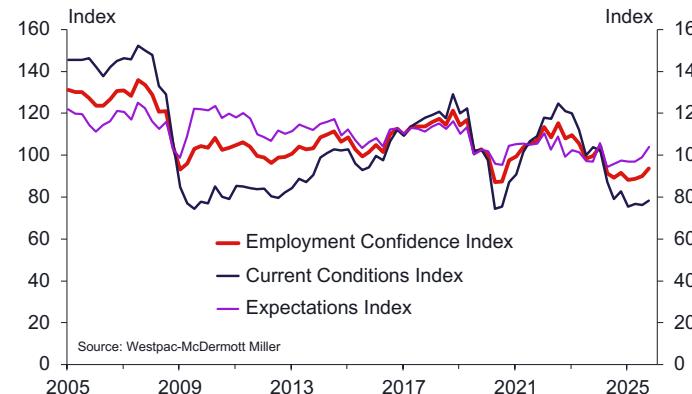
The Westpac-McDermott Miller Employment Confidence Index summarises responses to five questions: households' perceptions of current and future job opportunities, their own actual and expected earnings, and expected changes in their own job security.

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.

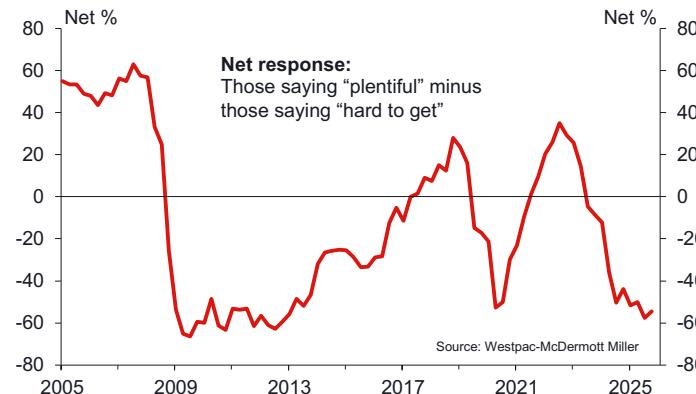
Survey interviews were conducted over the period 1-11 December. The sample size was 1,550. The margin of error of the survey is 2.5%.

Summary charts.

Employment Confidence Indices



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



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