

# Wave of job cuts in New Zealand

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New Zealand is in a deepening social and economic crisis, marked by rising unemployment, mass job cuts and escalating poverty.

Official unemployment stood at 5.4 percent in December 2025, the highest level in over a decade, representing 165,000 people, which has undoubtedly increased in the past three months. In February there were 220,839 people (6.8 percent of the working-age population) on a Jobseeker Support benefit—more than the population of Wellington city—including those unable to work due to illness. In total, 424,155 people are on welfare, including sole parents and people with disabilities.

Unemployment has been rising since then Reserve Bank Governor Adrian Orr admitted in November 2022—during the previous Labour Party government—that the central bank was “deliberately engineering a recession” by lifting interest rates. The aim was to intensify the exploitation of the working class.

The US-Israeli war against Iran—which the National Party-led government supports—is further deepening the crisis. Annual inflation is 3.1 percent and is expected to go much higher. Food prices increased by around 5 percent annually, with rates, rent and electricity all rising significantly in recent years.

The social consequences are already severe. Food insecurity is widespread, with one in three households affected in 2025. One in seven children (169,300) are living in material hardship. Homelessness is increasing even as the government moves to criminalise rough sleepers.

The scale of job losses across the economy is extensive and accelerating, with food manufacturing, timber processing, construction and retail bearing the brunt.

Last month, food processor **Heinz Wattie's** confirmed it will close its Christchurch, Dunedin and

Auckland factories, and a packing line in Hastings. About 300 jobs will be lost and farmers and transport firms will also be impacted.

**McCain**, another frozen vegetable processor, intends to close its Hastings processing plant by January 2027, putting hundreds of jobs at risk.

On March 31, the Japanese-based **Juken NZ** announced it could close two timber mills in Kaitiāia, if it can't sell them. This would destroy more than 200 jobs—a devastating blow to the northern town of 6,000 people.

It follows the closure of several mills in the last two years, partly blamed on high electricity costs: the Oji Fibre Solutions mills in Kinleith and Penrose, Winstone's pulp and saw mills in Ruapehu, and the Carter Holt Harvey mill in Nelson.

Almost 8,000 construction and manufacturing jobs were lost in the year to February. Corporate insolvencies have reached their highest level in 15 years, with 197 construction company failures in the fourth quarter of 2025.

The retail sector is also being hit hard. Boxing Day 2025 sales fell 12.4 percent, signalling a sharp drop in consumer demand.

In February, the **Warehouse** department store chain announced it would cut 270 head office jobs to save \$70 million over five years. Some of the work will be outsourced and some will be replaced by AI.

In January, **EB Games** closed all 38 of its retail stores across New Zealand and its distribution centre, eliminating 200-300 jobs. The state-owned **NZ Post** is closing 132 service counters in shops, libraries and pharmacies around the country.

Other recent announcements include: 134 job cuts at the government's Bioeconomy Science Institute (BSI)—part of 600 cuts to scientists and researchers across various government agencies; 40 proposed redundancies at Lincoln University; 35 layoffs at

Summerset retirement homes; 30 job losses with the closure of Petone's printing press, which prints *Stuff* newspapers; dozens of cleaners at Christchurch Stadium could lose their jobs due to outsourcing by the council agency Venues ʔautahi.

Entire sectors of the economy are being reorganised to slash costs and maintain profit margins.

The role of the trade union bureaucracy is to act as an adjunct of the employers, suppressing opposition from workers and ensuring orderly redundancies.

On March 11, E t? union director Finn O'Dwyer-Cunliffe called the Heinz Wattie's factory closures "deeply damaging to workers, to communities, and to the country." The union announced no action, however; it meekly appealed to the company to ensure that all workers receive redundancy payouts.

Workers want to fight, but are hamstrung by pro-capitalist organisations that falsely claim to represent them. Following a mass strike by more than 100,000 public sector workers last October, the unions have pushed through pay-cutting deals for tens of thousands of teachers and healthcare workers.

The unions are seeking to channel anger behind the opposition Labour Party's campaign for the November election. Responding to NZ Post's cuts, Postal Workers Union organiser John Maynard told Radio NZ on January 27: "the only thing I think is going to stop this is a change of government."

Following the BSI redundancies, the Public Service Association's (PSA) Fleur Fitzsimons stated on February 27: "Come November the PSA will be reminding voters of the choice the Coalition Government political parties made to prioritise tax cuts over a science sector equipped to drive our future prosperity."

Labour's employment spokesperson Ginny Andersen issued a statement on March 24, after McCain announced its Hastings closure, declaring: "[Prime Minister] Christopher Luxon promised he would fix the economy, instead he's making it much worse.... New Zealand can't afford another three years of National's failures."

Labour, however, offers no alternative. Unemployment began to rise sharply in 2023, when Labour was still leading the government. It campaigned in the election that year promising to slash public sector jobs—which the PSA agreed to enforce. The Labour

Party lost in a landslide amid soaring social inequality and living costs.

Labour, National, and their allies in parliament are parties of big business and imperialist war. Whoever wins the election, the next government will further intensify austerity measures to pay for the build-up of the military, to integrate the country into US-led wars.

To oppose austerity, job cuts and war, workers must organise independently of the union bureaucracy and all the capitalist parties. The Socialist Equality Group calls on workers to build rank-and-file workplace committees—democratically controlled and run by workers themselves—to unite workers across industries and with their class brothers and sisters in Australia and internationally.

Workers everywhere face a political struggle, not just against individual employers, but against the capitalist system itself. Workers are being thrown out of jobs in their tens of thousands, while those still employed face intensifying exploitation, insecure or long hours and declining real wages. This reflects the irrationality of production organised for profit rather than social need.

To stop mass layoffs and the closure of factories deemed unprofitable, workers should fight for public ownership of all major industries, under workers' democratic control. What is required is nothing less than a struggle for the socialist reorganisation of society.



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