

# The Post

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**Tasting Adelaide**  
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a Kiwi foodie fave  
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## Diners brave chill for a night to savour

It was a cold night in a smoky Sky Stadium for one of Wellington On A Plate's major events, but for the 300 people who attended it proved to be an excellent evening.

**Read Thomas Manch's  
review on page 8**



# Unemployment to hit 5.3%

Young workers left behind, with many struggling to re-enter workforce after post-Covid boom

**ECONOMY**  
**Tom Pullar-Strecker**

Fresh figures due out on Wednesday are expected to show unemployment continuing to climb, with no clear relief on the horizon.

Economists from all the five big banks are forecasting Stats NZ will report on Wednesday that the official unemployment rate increased to 5.3% in the three months to June, up from 5.1% the prior quarter.

The Reserve Bank had hoped in February that unemployment would have peaked before now, but recent economic data has shown economic conditions remain very subdued outside of the farming sector.

The surprise revelation on Friday that New Zealand exporters will face higher

tariffs than Australian and British exporters when selling into the United States is expected to add to the gloom.

An ANZ poll also released on Friday suggested consumer confidence slipped in July, with the price of necessities a top concern.

ANZ, ASB, BNZ, Kiwibank and Westpac are all expecting unemployment in the second quarter to come in at 5.3%, with some noting that would be the highest rate in more than eight years.

Jobs growth looked to have weakened over the quarter, Kiwibank senior economist Mary Jo Vergara said.

The data should reinforce the need for further interest rate cuts, "given the soft labour market and dimming global outlook", she said.

Westpac senior economist Michael Gordon said monthly income tax data showed unemployment had been highly concentrated among young people.

"This is an echo of the post-Covid boom, when severe worker shortages resulted in many young people being drawn away from education and into the workforce.

"As the economy cooled off, this group has found themselves out of work again or struggling to get into work in the first place."

BNZ senior economist Doug Steel said weak employment was a headwind on its own for the economy but "comes with a kicker of raising concerns around job security".

"Combined with above average inflation in some essential items like food and elec-

tricity, it is another factor threatening the timing and extent of the pick-up in household spending that many are forecasting."

ASB senior economist Mark Smith said the quarterly unemployment survey was always "a bit of a lottery".

"If not for stagnant labour force growth – driven by declining workforce participation and slowing growth in the working age population – the unemployment rate could be higher still," Smith said.

"The unsettled and uncertain local and global scene and soft domestic demand are expected to contribute to subdued hiring over much of the year until strengthening domestic activity feeds through into more hiring."

But before then, unemployment rate could push higher, he said.

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