2025 ANNUAL REPORT

NZIER
NEW ZEALAND INSTITUTE OF ECONOMIC RESEARCH

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ABOUT NZIER

The NZ Institute of Economic Research (NZIER) is an independent economic and policy consultancy and forecasting organisation that has been informing and encouraging debate on issues affecting Aotearoa New Zealand, since its establishment in 1958.

Our core values of independence and promoting better outcomes for all New Zealanders are the driving force behind why we exist and how we work today. Our purpose is to help our clients and members make informed business and policy decisions and to provide valuable insights and leadership on important public issues that affect our future.

We are independent of Government and any other organisation, and we conduct our activities in an impartial and independent manner free from bias or any sectional interest.

We invest a share of our surplus from our consultancy and membership activities into our Public Good Programme, which provides research and thought leadership on significant economic and policy issues confronting Aotearoa New Zealand. Through our Public Good Programme, we also fund scholarships and sponsorships to support the advancement of the economics profession.

We help Boards and senior decision-makers in business, local and central Government and not-for-profits to understand the financial and non-financial dimensions of their complex business and policy decisions.

We are a membership organisation and provide a range of forecasts, commentary and expert advice to our members. Membership is open to all.

We have our headquarters in Wellington. Our expert team of economists are primarily based in Wellington and Auckland. They work with clients in both New Zealand and overseas and operate across all sectors of the New Zealand economy. Our expert team combines sector knowledge with the application of robust economic logic, models and data, along with an understanding of the linkages between Government and business, to help our clients tackle complex issues.

THANKS

Premium members, members and clients for providing the funding for NZIER's work.

The New Zealand Treasury and the Reserve Bank of New Zealand for providing a grant towards the cost of the Quarterly Survey of Business Opinion.

The Hearnshaw family for co-funding the NZIER Ed Hearnshaw Environmental Economics Award, and The Hon. James Shaw and John Hearnshaw for being on the judging panel for the prize.

The New Zealand Treasury, the Retirement Commission and the Ministry for Regulation for partnering with NZIER in some of our Public Good Programme activities.

Pattrick Smellie for being a part of the PM's Summer Reading List Judging Panel for 2024.

BRUCE WATTIE

BOARD CHAIR

I am pleased to present my report for the year ended 31 March 2025.

NZIER has been in business for 67 years, and no doubt, over that time, there have been many years where trading conditions have resulted in disappointing financial performance. However, it would be fair to say that the trading conditions during the 2025 financial year were some of the most difficult that the Institute has had to manage. It was certainly one of the toughest periods I have experienced during my long career in professional services.

The difficult economic conditions that emerged during the second half of the 2024 financial year continued into the 2025 financial year and had a very significant impact on our operations. The broader economic climate remained extremely challenging, and this, combined with increasing public sector expenditure constraints, resulted in a decline in demand for our economic consulting services.

Government spending on consulting and contractors was down by approximately a third year on year, while New Zealand slipped into recession. Unsurprisingly, this had an impact on our financial results; however, on the positive side, we made good progress in other areas of our operations.

FINANCIAL RESULTS

The Institute finished the year with a deficit of $275,000. While a deficit is disappointing at any time, the 2025 result was a considerable improvement compared to the $596,000 deficit recorded in 2024. This improvement is particularly notable given a year-on-year revenue decline of $210,000 or 4%, driven by the weaker market conditions.

Pleasingly, the impact of the revenue decline on the bottom line was mitigated through decisive measures to reduce both staff costs and overheads. While these cost reduction measures were necessary to minimise the 2025 deficit, they have resulted in a step-change reduction in our cost base, positioning the Institute well for the current financial year.

Our cash position at the end of March 2025 was $1.55 million compared to $1.68 million at the end of March 2024. The Board and Management are focused on increasing the level of our cash reserves;

however, we are confident that our current level provides adequate financial resilience as we enter the new financial year.

Looking forward, we have experienced a positive uplift in new business in the March quarter. This positivity has carried through into April and May, helping to replenish the order book to its highest level since early 2024 and building momentum for the new financial year.

It is too early to say that we are past the worst of the economic conditions and heading into a period of growth, but the recent results give us some cautious optimism about the upcoming financial year, which mirrors the fragile recovery that we reported for the broader New Zealand economy in our latest Quarterly Survey of Business Opinion.

ENVIRONMENTAL, SOCIAL & GOVERNANCE ACTIVITIES

As a not-for-profit incorporated society, the Board recognises that NZIER has a responsibility to maintain good environmental, social and governance (ESG) policies and practices. This year, for the third consecutive time, our annual report includes a report on our ESG activities, enabling members and other stakeholders to understand the actions we are taking in these areas and to follow our progress.

GOVERNANCE

In August 2024, we welcomed Mike Burrell to the Board. Mike's expertise in sustainability and climate change brings a valuable perspective to NZIER's strategic focus.

At the same time, we bid farewell to outgoing Chair Keith Watson, and I assumed the Chair role, with Paula Brosnahan taking on responsibility for the Audit and Risk Committee. On behalf of the Board, I would like to thank Keith for his six years of dedicated service, especially during a period of considerable economic turbulence.

I would also like to take this opportunity to acknowledge the passing of Dr Di McCarthy in April 2025. Di was a former director of NZIER, serving from 2017 to 2023 and was Chair of the Board from 2019 to 2020. Both the Board members who served with Di and the Institute's staff remember Di as a vibrant and thoughtful member of the Board. She was very committed to the success of NZIER and, importantly, its staff.

STAFF

NZIER's people are its principal asset. The staff have demonstrated remarkable resilience, professionalism, adaptability, and commitment through a period marked by economic uncertainty and operational adjustment. Client engagement remains strong, and our members continue to support and contribute to NZIER's success.

The Board is very appreciative of the effort and sacrifices staff made during 2025 to ensure the financial deficit was minimised and to position the Institute to prosper as and when economic conditions improve.

I would also like to express my deep gratitude to Jason and the senior management team for their leadership and diligence in navigating the Institute through these challenging times.

It is also important to acknowledge the ongoing support of our members. They are our principal stakeholders and make a vital contribution to our financial viability.

Finally, I would like to acknowledge my fellow Board members for their stewardship and support over the past year.

CONCLUSION

As we look ahead, there are positive signs of recovery. With a strong order book, disciplined cost management, and clear strategic priorities, NZIER is well-positioned to continue its kaupapa of helping our clients and members make informed business and policy decisions and informing debate and educating on the significant policy and economic issues confronting New Zealand.

B J Wattie

Bruce Wattie

Chair

JASON SHOEBRIDGE

CHIEF EXECUTIVE

I am pleased to present my report for the year ended 31 March 2025.

CURRENT SITUATION

As Bruce outlined in his report, the financial year ending 31 March 2025 was a year of considerable financial challenge driven by very poor market conditions. While economic challenges continue, we began to see signs of recovery in the final quarter of the financial year. March was our best month in terms of winning new projects in almost two years. This trend has continued into both April and May, with May in particular being an exceptional month for securing new work. This rebound appears to be a combination of increased public sector spend, increased, albeit still cautious, confidence in the New Zealand economy and proactive new business development activities. This new business success has resulted in NZIER starting the current financial year with a strong order book.

PUBLIC GOOD PROGRAMME

As a not-for-profit organisation, NZIER's Public Good Programme remains a cornerstone of its strategy. Our Public Good Programme aims to inform debate and educate on key policy and economic issues facing New Zealand. In FY2025, NZIER spent $262k in staff time and $36k in expenditure funding this programme.

A critical part of our Public Good Programme is the Insights that we publish on significant economic and policy issues. This year, we produced Insights on the following topics:

- The congruence between Government budget initiatives and New Zealand's international climate commitments
- The barriers or enablers to incentivising large-scale private investment in decarbonisation in New Zealand
- The discount rate used by the Government
- The impact of the experience of new primary teachers in their own education on the quality of maths and science teaching in New Zealand and what can be done to improve the quality of this teaching

- The lessons from Australia that can be applied to improve retirement savings in New Zealand
- How the costs of disruption to local businesses and communities of infrastructure projects reflected in business case analysis and mitigated
- Five changes needed to fix the healthcare crisis
- The trade implications of the US election
- How reforesting Aotearoa New Zealand with native forests could help meet New Zealand's climate targets
- Implications of AI on the New Zealand economy
- The benefits of paperless trade to New Zealand

This year, we partnered with the Retirement Commission to produce a working paper on retirement income and with the New Zealand Treasury to produce a webinar on the Government's discount rate. We are grateful to these organisations for their support.

The Insights had significant reach during the year, with over 8,000 email views and 5,600 website views, as well as achieving good media coverage and good attendance at webinars held to present the findings. Furthermore, some Insight pieces – particularly on maths education, New Zealand's retirement income system and the costs of infrastructure achieved good impact with stakeholders, including Ministers, public sector officials and industry organisations.

In addition to Insights, we also published four Consensus Forecasts, seven Shadow Board releases, and numerous media commentaries.

We presented the NZIER Ed Hearnshaw Environmental Economics Award for the first time in August 2024. This prize is co-funded by the Hearnshaw family and honours the memory of Ed Hearnshaw, a prominent environmental economist who was tragically killed in a tramping accident.

The award was presented to Professor Ilan Noy, who has made a significant contribution to environmental economics in New Zealand, both in academia and in government policy. We congratulate Professor Noy on his well-deserved win and the Hon. James Shaw, who joined members of the NZIER staff and the Hearnshaw family on the judging panel for this prize.

We also continued our commitment to developing Māori economic capability by providing two-year scholarships to two undergraduate students at Te Herenga Waka Victoria University of Wellington. This year, our scholarship recipients are Terran Patete Philippi (Te waka Tainui, Ngāti Koata, and Ngāti Kuia), who is receiving the second year of this scholarship, and Hemi Pinfold-Whanga (Ngāi Tūhoe, Ngāti Maniapoto and Waikato-Tainui). Hemi is in his second year studying for a Bachelor of Commerce. Both Terran and Hemi are very deserving winners of the scholarship.

We continued to provide and update Data1850, a database and visualisation tool that provides economic data for New Zealand, in some cases dating back to 1850. Also, this year, we continued our partnership with Global Women as part of our ongoing commitment to improving diversity and equity in the workplace.

Looking forward, our Insight series will have a productivity focus this year. Low productivity growth in the New Zealand economy is one of the key issues that threaten New Zealand's future prosperity, and we will produce insights on topics related to the various facets of this issue. Thank you to our clients, members and other stakeholders who suggested Insight topics again this year.

We are also planning to provide more scholarships to university students studying economics as we look to support the broader economics profession.

MEMBERSHIP

Membership dropped this year for the first time in many years, finishing the year at 134 members, down from 141. This decrease most likely reflects the poor economic conditions and the reduction in public sector spending, leading to a higher-than-usual number of our members choosing not to renew their membership. However, it was pleasing that we also added 21 new members this year.

Our membership publications garnered strong engagement from members this year, particularly Quarterly Predictions, the Quarterly Survey of Business Opinion, and our Quickview summaries of key economic data analysis. Our Quarterly Survey of Business Opinion garnered considerable media attention, given the highly anticipated decisions on the Official Cash Rate and the challenging economic climate.

The quality of our Quarterly Predictions publication was once again recognised by Focus Economics, an international organisation, which awarded Christina Leung, our Head of Membership Services, the prizes for best forecaster of the New Zealand exchange rate in 2024 and best forecaster of the New Zealand current account in 2024.

In the coming year, we aim to improve the data visualisation of our membership products to make them more useful to members. This is based on recommendations received from our members' survey on how we can improve value for members.

NZIER is a membership organisation, and as always, I thank our members for their ongoing support. If members have feedback they would like to share about our membership services, please get in touch with me directly. I am always keen to hear your feedback.

CONSULTING

As mentioned above, this was an extremely challenging year, given the depressed market for consulting services, which began at the end of the previous financial year and continued throughout the year. Despite this, we completed 204 projects for 134 different clients during the year, which was a small increase in these metrics compared to the previous year. As could be expected with such a large number of projects, they spanned all sectors of the New Zealand economy and covered all aspects of policy and economic consulting.

Although many of our projects are confidential, we were pleased to support our clients when they chose to publicise the work we do for them. Our work, which was publicly released, was quoted in the media over 350 times last year. Our staff supported the release of this work by presenting the project results in a range of settings, from public and stakeholder meetings to select committee hearings.

NZIER's kaupapa is to ensure our clients can make better business and policy decisions. We test the satisfaction our clients have with our services and how we enable them to achieve this through our annual client engagement survey. I am pleased to report that our clients rated us very highly in this year's survey, repeating the result we achieved last year. Our clients value the expertise of our people and our independence and objectivity. Thank you to all our clients who participated in this survey, as well as to all the clients we worked with this year.

STAFF

As identified above, our people remain the foundation of NZIER's success. Their professionalism, dedication, and adaptability have enabled us to navigate a very challenging year. At the same time, their efforts in both client delivery and thought leadership have once again affirmed NZIER's reputation in the market. I want to thank the NZIER staff for their exceptional work throughout a challenging year. Your resilience and commitment are deeply appreciated.

Finally, I would like to thank Bruce and the rest of the NZIER Board for the ongoing support and challenges they provide to me and the NZIER team.

Jason Shoebridge

Chief Executive

NZIER BOARD

ABOUT THE BOARD

The role of the NZIER Board is to:

Be responsible for the Institute continuing to strive towards attaining its goals as agreed upon from time to time, as well as for the Institute's strategic direction.

Monitor and safeguard the continued good financial health and morale of the Institute.

Ensure the employment of a Chief Executive of the Institute on appropriate terms and monitor the Chief Executive's performance relative to those terms.

Keep the performance of the Chief Executive under review and through the Chief Executive, the Institute's staff.

Give advice to the Chief Executive on matters of general business practice and standards within the Board's knowledge and advise on strategic planning initiatives and issues.

NZIER BOARD AS AT 31 MARCH 2025

Bruce Wattie
CHAIR

Paula Brosnahan
CHAIR AUDIT AND RISK COMMITTEE

Grant Pryde
CHAIR HR AND REMUNERATION COMMITTEE

Professor Les Oxley
BOARD MEMBER, HR AND REMUNERATION COMMITTEE MEMBER

Mike Burrell
BOARD MEMBER, AUDIT AND RISK COMMITTEE MEMBER

Jason Shoebridge
CHIEF EXECUTIVE, EX OFFCIO

AUDITORS

Grant Thornton

SOLICITORS

Dentons Kensington Swan, Kiely Thompson Caisley and Simpson Grierson

SECRETARY

Terri Boote

MEMBERSHIP SERVICES

NZIER offers its members a comprehensive macroeconomic forecasting service. Successful organisations need a clear picture of the economy and how it is likely to develop. Economic forecasts can help our members understand the economic circumstances that are likely to prevail in the future, allowing them to take advantage of economic opportunities and minimise the impact of downturns.

Our standard membership services are listed below. In addition, we offer our members customised analysis and strategic briefings.

Information on becoming a member is available at www.nzier.org.nz/about/membership

Membership products are available at https://www.nzier.org.nz/member-publications

QUARTERLY PREDICTIONS

Quarterly Predictions contains detailed and comprehensive forecasts for the New Zealand economy. Each issue contains forecasts for four to five years ahead, with a focus on the composition and drivers of the economic outlook. Empirical analysis is complemented by an examination of related economic and policy issues and any risks attached to the forecasts.

During the 2024–2025 year, June 2024 to March 2025 issues were published.

QUARTERLY SURVEY OF BUSINESS OPINION

Begun in 1961, NZIER's Quarterly Survey of Business Opinion is New Zealand's longest-running and most comprehensive business confidence survey. The resulting indicators are a valuable tool for assessing the current state of the economy and forecasting short-term economic activity.

The survey samples manufacturers, builders, architects, wholesalers and retailers, and service sector firms. Information from these industries provides useful indicators of future investment patterns and the likely direction and composition of economic growth in coming quarters.

During the 2024–2025 year issues 252–255 were published.

CPI CONSENSUS FORECASTS

This specialist publication provides the forecasts of inflation in the Consumers Price Index (CPI) of all the major forecasting organisations in one place.

The CPI Forecast Summary table is published four times a year in March, June, September and December.

NZIER MEMBERS

2024-2025

PLATINUM MEMBERS

Ministry of Business, Innovation & Employment

PREMIUM MEMBERS

Auckland Council

Citi Investment Research and Analysis

Colliers International New Zealand

Commerce Commission

Jones Lang LaSalle Advisory

Ministry of Foreign Affairs & Trade

Reserve Bank of New Zealand

The Treasury

OVERSEAS MEMBERS

Citadel

Ontario Teachers' Pension Plan

Rokos Capital Management

STANDARD MEMBERS

AA Insurance

AAPC Ltd

ABB

AECOM

AIA
Airways Corporation of New Zealand
ANZ Banking Group
ASB Bank
Ashburton District Council
Auckland Business Chamber
Auckland University of Technology
Australian High Commission
Bank of New Zealand
Beca
Beef and Lamb New Zealand Ltd
BlackRock Investment Management NZ
Boffa Miskell
Business New Zealand
Cameron Partners Limited
CBRE NZ
Centrix
Centuria Capital
Chartered Accountants Australia & New Zealand (CAANZ)
Chorus
Counties Energy
Crown Infrastructure Delivery
Darroch
Deloitte
Department of Prime Minister and Cabinet
Deutsche Group Services Pty Ltd
DIALOG Property (NZ) Ltd
EBOS Group
Embassy of the United States of America
Entain NZ Ltd
Ernst and Young
Financial Markets Authority
Fletcher Building
FMG
Fonterra Cooperative Group
Foodstuffs North Island
Genesis Energy
Goldman Sachs New Zealand Limited
Goodman Ltd
Grant Thornton NZ
Hanga-Aro-Rau
Harbour Asset Management
Horizon Energy Group
IAG
Infometrics
Inland Revenue Department
Jacks
JP Morgan
Kapiti Coast District Council
Kiwi Property Group
Kiwibank
KPMG
Leighs Construction
Lincoln University
Maritime New Zealand
Marsden Maritime Holdings
Massey University
McConnell Dowell
Meat Industry Association
Metals NZ
Ministry for Primary Industries
Ministry for the Environment
Ministry of Justice
Ministry of Social Development
Ministry of Transport
MUFG Pension and Market Services
Muka Tangata
National Infrastructure Funding and Financing
Nestle NZ
New Zealand China Trade Association
New Zealand Customs Service
New Zealand Infrastructure Commission
New Zealand Lotteries Commission
New Zealand Parliamentary Library
Northpower
NZ Transport Agency
NZX
Office of the Controller & Auditor-General
Omexom
Opes Partners

Oranga Tamariki
Palmerston North City Council
Powerco
Priority One
PwC
Queenstown Airport
Rank Group
Rawlinsons
Remuneration Authority
Rider Levett Bucknall
Ringa Hora
SMC Corporation (NZ)
Social Investment Agency
South Port NZ
Spark
Sport NZ
Stantec New Zealand
Statistics New Zealand
Steel and Tube Holdings
Strategic Pay
Tatua Co-op Dairy
Tauranga City Council
Te Puni Kōkiri
Toi Mai
Toitu Te Waiora
Toyota New Zealand Ltd
Trade Me
Transpower
University of Auckland
Vector Ltd
Victoria University of Wellington
Waihanga Ara Rau
Waikato District Council
Waste Management NZ
WellingtonNZ
Westpac New Zealand
Wigram Capital Advisors
WorkSafe NZ

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The NZ Institute of Economic Research is a not-for-profit incorporated society that was first registered in 1958. The surplus that we make from providing economic and policy consulting to our clients and subscriptions from our members is applied to our Public Good programme. This programme provides thought leadership and research on the significant economic and policy issues confronting Aotearoa New Zealand, and funds other activities that facilitate education and debate about economic and policy issues.

The Board and staff of NZIER recognise that NZIER, as a not-for-profit incorporated society, has a responsibility to have effective environmental, social and governance (ESG) policies and practices. This includes providing transparency around these ESG policies and practices in an annual report.

This is our third ESG report. Its purpose is to inform our stakeholders about our ESG policies and practices and to demonstrate how we are progressing in these areas.

ENVIRONMENTAL

Greenhouse gas emissions

NZIER utilises CarbonTrail to measure our carbon emissions. This tool uses data from our accounting system to estimate emissions based on CarbonTrail's database. The details of our carbon emissions for the year ended 31 March 2025 are set out below.

Table 1 NZIER emission profile

Emission type	Year ended 31 March 2025 (tonnes of carbon dioxide equivalent)
Scope 1	0
Scope 2	8.3
Scope 3	68.7
Total	**77**

Scope 1 Emissions: Direct greenhouse gas (GHG) emissions that occur from sources owned or controlled by NZIER.

Scope 2 Emissions: Indirect GHG emissions resulting from the generation of purchased electricity, heat, or steam consumed by NZIER.

Scope 3 Emissions: Indirect GHG emissions that result from activities of the reporting entity, but occur from sources not owned or controlled by NZIER.

Source: CarbonTrail

Given the nature of our work, our largest category of emissions relates to transport, and in particular flights, and our premises.

Table 2 Source of NZIER's emissions

Source of emissions	Year ended 31 March 2025 (tonnes of carbon dioxide equivalent)
Air travel	15.0
Premises	19.5
Professional services	17.3

Source: CarbonTrail

Our use of air travel is, to an extent, dependent on client work. However, we do, where possible, have meetings online to limit air travel, and when we do fly, we purchase offset credits through Air New Zealand's offset programme.

We are unable to show comparative figures due to a change in methodology from our data measurement provider, CarbonTrail. CarbonTrail uses emission factor datasets sourced from a reputable provider, thinkstep-anz. In our FY2024 calculations, thinkstep derived the database using a dataset that, due to underlying data availability, utilised national statistical data from 2013. Our FY2025 calculations are based on an updated emission factor dataset derived from national statistical data from 2020. Some industries saw significant decreases, including air travel, which makes up the largest part of our emissions. Although this year's emissions data cannot be compared to the data shown in our annual report last year, we are confident our emissions have decreased as we undertook less travel in the year ended 31 March 2025 and in the previous year we fitted out our new Auckland office and therefore had higher emissions due to the embedded emissions in the furniture purchased.

We will continue measuring our greenhouse gas emissions and look for opportunities to reduce them. For example, this year, we are looking to upgrade the lighting in the Wellington office to be a more energy-efficient premise.

Climate change

As part of our commitment to informing New Zealand's climate change discourse and shaping policy development, NZIER produced several impactful thought leadership pieces in the past year under our Public Good Programme.

We released a report evaluating the extent to which Budget 2024 supports New Zealand's climate commitments. This continued our annual series of budget-climate congruence analyses and was cited in a Parliamentary Question, helping bring policy alignment with climate goals into sharper public focus.

In November, we published a thought leadership report examining the barriers and enablers to large-scale private investment in decarbonisation in New Zealand. It made a valuable contribution to the ongoing policy conversation around unlocking private capital for climate mitigation.

Additionally, we published a further thought leadership piece, Policy changes to support indigenous forests, considering how policy changes which encouraged reforesting Aotearoa New Zealand with native forests could assist New Zealand to meet its international climate targets.

Looking ahead, we remain committed to climate-focused research. A third consecutive budget analysis Insight is planned, and we will continue to look for opportunities to produce research which educates and informs debate about climate and environmental policy in New Zealand.

As noted below, this year we established the NZIER Ed Hearnshaw Environmental Economics Award to recognise and encourage the advancement of environmental economics and its applications.

NZIER continues its membership in the Sustainable Business Council, reinforcing our dedication to promoting sustainable economic practices and policy.

Energy usage

Our main energy usage comes from the electricity used in our offices in Auckland and Wellington.

Table 3 NZIER electricity usage (MWh)

	Year ended 31 March 2025	Year ended 31 March 2024
Auckland and Wellington offices	51.72MWh (total for both offices)	53.04MWh (total for both offices)

Source: NZIER energy providers

As identified above, we moved into a larger office space in Auckland in 2024. It is more energy efficient, for example, by having LED lighting, the decrease in energy usage is explained by being in the new office for a full year ending 31 March 2025, compared to a partial year in 2024.

SOCIAL

NZIER's Public Good Programme for the year ending 31 March 2025

NZIER's Public Good Programme is a self-funded programme that provides thought leadership and economic research on the significant economic and policy issues that confront Aotearoa New Zealand, as well as funding other activities that facilitate education and debate around economic and policy issues. We do this across a range of activities. The table below summarises our total spending on our Public Good Programme.

Table 4 NZIER Public Good Programme expenditure

	Year ended 31 March 2025	Year ended 31 March 2024
Value of staff time	$259.923	$364.451
Direct expenditure	$36,368	$50.948
Total	**$296,291**	**$415,399**

Source: NZIER

The activities we undertook this year as part of our Public Good Programme are described below. Metrics around the reach of these activities can be found in the Statement of Service Performance in our annual report. Copies of these reports can be found on our website.

Insights and Working papers

Insights and Working papers are thought leadership or research on significant economic and policy issues confronting Aotearoa New Zealand. The topics for these papers are sourced from our staff, members, and other stakeholders who are interested in economics and public policy in New Zealand. This year, we published ten insights on the following subjects:

- The congruence between Government budget initiatives and New Zealand's international climate commitments
- The barriers or enablers to incentivising large-scale private investment in decarbonisation in New Zealand
- The discount rate used by the Government
- The impact of the experience of new primary teachers in their own education on the quality of maths and science teaching in New Zealand and what can be done to improve the quality of this teaching
- How the costs of disruption to local businesses and communities of infrastructure projects reflected in business case analysis and mitigated
- Five changes needed to fix the healthcare crisis
- The trade implications of the US election
- How reforesting Aotearoa New Zealand with native forests could help meet New Zealand's climate targets
- Implications of AI on the New Zealand economy
- The benefits of paperless trade to New Zealand
- We also published one working paper, Lessons from across the Tasman: Comparing the Australian and New Zealand retirement income systems.

Consensus Forecasts

NZIER released four issues of Consensus Forecasts during the year. These reports provide consensus forecasts on key economic measures for the New Zealand economy, drawing on the predictions of various external economists.

Shadow Board

The Shadow Board comprises external economists and other business people. NZIER released seven Shadow Board reports during the year. These reports are released shortly before Reserve Bank Monetary Policy Committee meetings and provide the predictions, together with their rationale, of the Shadow Board on whether the official cash rate will increase, decrease or stay unchanged.

Masterclasses

Masterclasses are a series of articles written with the intention of improving the quality of policy advice and decision making in central and local government. In the last year, NZIER staff wrote 16 Masterclass notes for central and local government agencies on the following topics: Dealing with uncertainty

Central government

- Short, shorter, shortest
- Choosing the right type of peer review
- Implementation matters
- Cabinet paper checklist
- Frameworks revisited
- Short cut thinking
- Quick start
- Trade-offs
- Ministerial preferences
- Templates

Local government

- Long march to quality
- Fresh set of eyes
- Purpose Statement
- Implementation matters
- Structuring papers
- Choosing the right type of peer review.

Events

In December 2024, NZIER released its fifth annual Summer Reading List for the Prime Minister. This is an event where a panel comprising NZIER staff and others choose five books they recommend that the Prime Minister might like to read over the Christmas break. This year's theme was 'providing important insights across a range of topics'. Details of the books that were selected for the list can be found on our website.

NZIER also hosted three webinars during the year. In June, NZIER co-hosted a webinar with Chartered Accountants Australia and New Zealand, which was attended by over 2,000. In July, NZIER hosted a lunchtime webinar on 'How congruent is Budget 2024 with New Zealand's climate commitments'. Followed by another webinar in October on 'Social investment: funding the future of change', and the final webinar in November on 'The public sector discount rate: what it is, why it matters, and how it has changed.

Scholarship

NZIER partners with the Victoria University of Wellington to provide a scholarship for undergraduate economics or public policy students with an interest in and connection to the Māori economy. This is a two-year scholarship with an annual payment of $7,500 per annum. It is intended to support the building of a pipeline of economics or public policy graduates who can apply their skills to the Māori economy. This year's recipient is Hemi Pinfold-Whanga. Last year's recipient, Terran Pātete Philippi, received his second year of this scholarship.

The NZIER Ed Hearnshaw Environmental Economics Award

NZIER has established the NZIER Ed Hearnshaw Environmental Economics Award. This Award of $4,000 has been inaugurated, organised, and underwritten by the Hearnshaw Family and the NZ Institute of Economic Research to recognise and encourage the advancement of environmental economics and its applications. It was awarded in 2024 to Ilan Noy, who has produced innovative and outstanding work in the area of environmental economics.

The Award honours the memory of Ed Hearnshaw, a talented environmental economist who died in a tramping accident in 2020.

Data1850 refresh

NZIER continue to make available and update its Data1850 tool. This tool is made freely available to the public and allows users to explore, visualise, compare and download long-term economic data for New Zealand.

Other activities

NZIER staff, as part of our Public Good Programme, also give presentations and provide media commentary on economic and policy issues. NZIER was also a sponsor of the New Zealand Association of Economists conference.

NZIER's Public Good Programme for the year ending 31 March 2026

NZIER is budgeting to invest $300,000 in its Public Good Programme. The highlights of the planned programme are as follows.

Insights

In the coming year, NZIER intends to produce a series of Insights with a productivity theme, reflecting the fact that low productivity growth remains a significant ongoing economic issue for New Zealand:

- What are the barriers or enablers to incentivising large-scale private investment in decarbonisation in New Zealand?
- What has been driving the gap between New Zealand and other countries, and/or the productivity growth slowdown in New

Zealand?

- How are the risk appetites of New Zealand firms changing?
- How is the productivity of New Zealand soil changing over time?
- How does education contribute to long-run growth, and where should investment be focused?
- What is the role of immigration?
- How does health contribute to productivity, and where should investment be focused in health to get the biggest impact on productivity?

In addition, throughout the year, we will produce a series of shorter Insight pieces on topical economic and policy issues confronting Aotearoa New Zealand.

Other publications and events

In the coming year, we plan to publish four issues of Consensus Forecasts, seven Shadow Board reports and a number of masterclasses. We will also hold an event to release the Prime Minister's Summer Reading List and undertake other presentations and media commentary. We will also support the gender pay gap reporting of Global Women and will be presenting a submission to the recently established "People's Select Committee on Gender Equity". We are also investigating the establishment of further scholarships for students studying economics at the tertiary level.

Our people

NZIER's competitive advantage is the expertise and experience of our people. As such, we have a range of benefits and working practices to ensure we can attract and retain the best people in the market. Below are details of the benefits we provide that exceed statutory minimums.

Enhanced parental leave

NZIER offers a parental leave policy to provide benefits beyond the statutory minimum. These enhancements include:

- Commitment to top up the Government payment made to any employee who is the primary carer to their annual salary for 26 weeks once they have been employed by NZIER for a minimum period.
- Two weeks paid leave for any employee who is a partner of a primary carer.
- Continuation of the employer's Kiwisaver contributions during the employee's parental leave.
- Payment of annual leave at the employee's normal salary when they return from parental leave.
- Flexible return-to-work policies.

Enhanced sick leave

To ensure our staff's health and wellbeing, NZIER has an annual sick leave entitlement of 20 days with a maximum accrual of 40 days.

Additional annual leave

All staff receive two days of additional annual leave over the Christmas/New Year period and a day of birthday leave.

Health and safety

NZIER recorded one health and safety incident in the year ended 31 March 2025. It was minor and did not result in any lost time. In the year ended 31 March 2024, we recorded one minor incident, which also did not incur any lost time.

Staff engagement

NZIER conducts an annual staff engagement survey using the Ask Your Teams survey tool. This survey asks employees to rate how much they agree or disagree with a set of statements which have been proven to be indicators of staff engagement. An average score is then calculated across all the statements and is compared to a benchmark score calculated from all private sector organisations that use Ask Your Teams. Set out below are the results.

Table 5 Annual staff engagement survey results

Year	Participation rate	Overall score	Benchmark score
2023	92%	66%	66%
2024	96%	71%	67%
2025	92%	73%	69%

Source: NZIER

The results are reported to our Board and shared with the staff. The survey is used to identify areas for improvement by the management team and the staff. These initiatives are shared with the Board, and progress is monitored in the following year's survey.

The target for this year is to lift our overall score to 73%.

Professional development

Ensuring our staff continue to develop their expertise is critical to meeting our clients' requirements, providing Public Good activities and developing our staff's careers. Set out below are the details of expenditure on staff training and the value of the staff time spent in training.

Table 6 Staff training

	Year ended 31 March 2025	Year ended 31 March 2024
Value of staff time spent in training	$315,704	$439,094
Training expenditure	$13,123	$52,182
Total	$328,827	$491,276
Total per FTE	**$16,384**	**$21,323**

Source: NZIER

Gender diversity

NZIER is committed to diversity and inclusion. NZIER is a partner organisation of Global Women. This organisation has the purpose of increasing diversity in leadership in Aotearoa New Zealand, through promoting, encouraging and facilitating the development of women. As part of the partnership, we are committed to undertaking Public Good work on a topic around gender issues in the workplace or economy.

As mentioned above, we have also enhanced our parental and sick leave policies to make NZIER a more family-friendly workplace.

Set out below is the gender diversity of our staff as at 31 March 2025 and 31 March 2024.

Table 7 Gender diversity at NZIER, as at 31 March 2025

	Male	Female
Board	80%	20%
Management team	25%	75%
Client facing staff	88%	12%
Support staff	25%	75%

Table 8 Gender diversity at NZIER, as at 31 March 2024

	Male	Female
Board	80%	20%
Management team	50%	50%
Client facing staff	79%	21%
Support staff	25%	75%

Source: NZIER

GOVERNANCE

Board composition

NZIER is an Incorporated Society and is governed by a Board. Members of the Board (other than the Chief Executive) are elected by NZIER's members in accordance with NZIER's Constitution. The Board is responsible for the financial performance, statutory compliance, activities and performance of NZIER, together with the employment of the Chief Executive.

Board members' duties, conduct and behaviours, and the Board's responsibilities and processes are set out in the Board charter. The purpose of this Charter is to ensure the success of NZIER by embedding sound and ethical corporate governance practices aligned with its strategic goals and Code of Conduct.

The Board has two sub-committees: the Audit and Risk Committee and the Remuneration and HR Committee.

The Audit and Risk Committee is comprised of at least two elected Board members, including the Chair. The Audit Committee Chair should be suitably qualified.

The Committee reviews the annual financial statements prior to their approval by the Board, including the effectiveness of management information systems and systems of internal control and the efficiency and effectiveness of the external audit functions.

The Remuneration and HR Committee comprises at least two elected Board members, including the Chair. The Remuneration and HR Committee Chair should be suitably qualified and informed of current HR practices.

The Committee reviews the performance of the Chief Executive and the proposed bonus pool for all staff and makes recommendations to the Board.

As at 31 March 2025, the Board is comprised of five elected members and the Chief Executive, an ex-officio member. Elected Board members are elected for a term of three years and can be re-elected at the end of their three-year term. The composition of the Board as at 31 March 2025 is as follows.

Table 9 NZIER Board

Board member	Position/committee membership	Date first appointed as a Board member	End of current term
Keith Watson	Chair	28 February 2018	August 2024
Bruce Wattie	Chair	30 May 2019	August 2025
Grant Pryde	Chair, Remuneration and HR Committee	1 April 2019	August 2027
Paula Brosnahan	Chair, Audit and Risk Committee	5 February 2020	August 2026
Professor Les Oxley		3 September 2019	August 2025
Mike Burrell		6 May 2024	August 2027
Jason Shoebridge	Chief Executive (ex-officio)	7 September 2021	6 September 2026

Source: NZIER

Board remuneration

For the year ended 31 March 2024, the Board members received the following remuneration.

Table 10 Board remuneration

Board member	Position/committee membership	Remuneration
Keith Watson	Chair (part year)	$10,417.00
Bruce Wattie	Deputy Chair (part year), Chair (part year)	$21,916.00
Grant Pryde	Chair, Remuneration and HR Committee	$16,000.00
Paula Brosnahan	Chair, Audit and Risk Committee (part year)	$16,000.00
Professor Les Oxley		$12,000.00
Mike Burrell	(Part year)	$11,000.00
Jason Shoebridge	Chief Executive	Ex-officio

Source: NZIER

Board meeting attendance

Board meetings are held quarterly, and the Audit and Risk Committee and Remuneration and HR Committee meet twice yearly. During the year ended 31 March 2025, the Directors had the following attendance at meetings.

Table 11 Board attendance

Board member	Board and annual general meetings attended	Audit and Risk Committee meetings attended	Remuneration and HR Committee meetings attended
Keith Watson	3	1	1
Bruce Wattie	8	2	n/a
Grant Pryde	8	n/a	2
Paula Brosnahan	8	2	n/a
Professor Les Oxley	6	n/a	1
Mike Burrell	7	n/a	n/a

Source: NZIER

Future Director

In February 2024, NZIER appointed Amelia Vinnell to the position of Future Director. The Future Director scheme is run by the Institute of Directors to provide governance experience to suitably qualified individuals who wish to pursue a governance career. Amelia was appointed to this position for 12 months and received $6,000.

Risk management policies and procedures

NZIER has policies and procedures to identify and manage risks. A risk register detailing and quantifying the organisation's key strategic risks and mitigations in place is reviewed quarterly at every Board meeting.

NZIER engaged Grant Thornton to undertake an external audit of its annual financial statements.

NZIER maintains the following insurance policies to provide cover for material insurable risks it faces:

- Association liability

- Cyber insurance
- Material damage
- Business interruption
- General liability
- Statutory liability
- Employers' liability
- Business travel

To ensure that it is adequately resourced in the event of unexpected downturns in business, NZIER has a reserves policy. This reserves policy stipulates that working capital should be not less than six months of cash operating expenses. Of this working capital, $2 million must be held in cash or term deposit accounts.

STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES

FOR THE YEAR ENDING 31 MARCH 2025

	2025 $	2024 $
REVENUE FROM NON-EXCHANGE TRANSACTIONS		
Other grants	15,000	15,000
	15,000	15,000
REVENUE FROM EXCHANGE TRANSACTIONS		
Membership fees	429,807	424,101
Contract research income	4,250,366	4,466,561
Interest income	89,524	94,780
Gain on disposal of assets	799	-
Other operating income	511	504
	4,771,007	4,985,946
Total revenue	**4,786,007**	**5,000,946**
EXPENSES		
Direct public good costs	36,368	50,948
Employee related costs	3,389,468	3,764,651
Contract expenses	704,042	750,965
Depreciation and amortisation	80,313	78,514
Loss on disposal of assets	-	9,772
Operating expenses	836,344	928,853
Operating lease rental	10,599	13,715
Total expenses	**5,057,134**	**5,597,418**
Total surplus or deficit for the year	**(271,127)**	**(596,472)**
Other comprehensive revenue and expenses	-	-
Total comprehensive revenue and expenses for the year	**(271,127)**	**(596,472)**

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDING 31 MARCH 2025

	2025 $	2024 $
CURRENT ASSETS		
Cash and cash equivalents	346,109	539,550
Investments	1,208,573	1,140,742
Receivables from exchange transactions	626,778	964,301
Work in progress	477,633	410,125
Prepayments	176,805	135,256
	2,835,898	3,189,974
NON-CURRENT ASSETS		
Intangible assets	13,677	30,029
Property, plant and equipment	127,275	170,573
	140,952	200,602
Total assets	**2,976,850**	**3,390,576**
CURRENT LIABILITIES		
Trade and other payables	142,080	122,888
Employee entitlements	224,296	311,836
GST payable	115,178	144,761
Lease inducement	27,446	7,856
Revenue in advance from exchange transactions	478,581	669,257
Revenue in advance from non-exchange transactions	37,500	15,000
	1,025,081	1,271,597
NON-CURRENT LIABILITIES		
Lease inducement	114,367	10,450
	114,367	10,450
Total liabilities	**1,139,448**	**1,282,047**
Net assets	**1,837,402**	**2,108,529**
EQUITY		
Total equity	**1,837,402**	**2,108,529**

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDING 31 MARCH 2025

	Accumulated surpluses $	Total equity $
2025		
Opening balance 1 April 2024	2,108,529	2,108,529
Net deficit/total comprehensive revenue and expenses	(271,127)	(271,127)
Closing equity 31 March 2025	**1,837,402**	**1,837,402**
2024		
Opening balance 1 April 2023	2,705,001	2,705,001
Net deficit/total comprehensive revenue and expenses	(596,472)	(596,472)
Closing equity 31 March 2024	**2,108,529**	**2,108,529**

CASH FLOW STATEMENT

FOR THE YEAR ENDING 31 MARCH 2025

	2025 $	2024 $
Net cash flows from operating activities	(195,271)	(836,946)
Net cash flows from investing activities	1,830	404,161
Net (decrease) in cash and cash equivalents	(432,785)	(185,803)
Cash and cash equivalents at 1 April	539,550	972,335
Cash and cash equivalents at 31 March	**346,109**	**539,550**

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDING 31 MARCH 2025

What we want to achieve	How	What we've done during the year	Measure (verifiable)	Period ended 31 March 2025	Period ended 31 March 2024	Source
Provide robust and independent information on economic matters for planning and decision-making by our members	Provide forecasts, survey results and other macroeconomic information to our members	QSBO publication and data	No. of releases Email views Viewed website Mainstream media mentions	4 6278 7083 255	4 4517 3428 219	Hubspot Fuseworks
		QP publication and data	No. of releases Email views Viewed website Mainstream media mentions	4 6814 3430 25	4 6022 2720 24	Hubspot Fuseworks
		Seminars/events	No. of events & attendees No. of webinars & attendees	15 events 393 registrations 7 webinars 2670 attendees	14 events 311 registrations 9 webinars 451 attendees	Eventbrite
		Quickviews	No. of releases Email views	15 5287	New publication in 2025	Hubspot
		CPI forecasts	No. of releases Email views Viewed website Mainstream media mentions	4 1351 316 1	4 1281 252 0	Hubspot Fuseworks
	Maintain current membership numbers	Initiatives to engage members	No. of members	134	141	Xero/Hubspot

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDING 31 MARCH 2025

What we want to achieve	How	What we've done during the year	Measure (verifiable)	Period ended 31 March 2025	Period ended 31 March 2024	Source
Advance the study and understanding of economic matters	Develop and promote freely available content through our Public Good programme	Insights	No. of publications	10	6	Hubspot
			Email views	8041	5892	
			Viewed website	5663	3040	
			Mainstream media mentions	86	94	Fuseworks
		Working papers	No. of publications	1	2	Hubspot
			Email views	1576	2077	
			Viewed website	1271	1936	
			Mainstream media mentions	7	11	Fuseworks
		Consensus Forecasts	No. of publications	4	4	
			Email views	2221	2030	Hubspot
			Viewed website	2850	2156	
			Mainstream media mentions	21	20	Fuseworks
		Shadow Board	No. of publications	7	7	Hubspot
			Email views	5990	5550	
			Viewed website	3668	3996	
			Mainstream media mentions	59	44	Fuseworks
		Other publications:	No. of publications	2	1	Hubspot
			Email views	828	768	
			Viewed website	602	985	
			Mainstream media mentions	5	10	
		Collaborations	No. of publications	0	0	
			Email views	0	0	
			Viewed website	0	0	
			Mainstream media mentions	0	0	
			Social media mentions	0	0	

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDING 31 MARCH 2025

What we want to achieve	How	What we've done during the year	Measure (verifiable)	Period ended 31 March 2025	Period ended 31 March 2024	Source
	NZIER Early Career Economics Leader Award	Convene panel and sponsor award	Award given	Awarded biennially	1	
	NZIER Ed Hearnshaw Environmental Economics Award	Convene panel and sponsor award	Award given	1	New prize in 2025	
Support decision-making for our New Zealand-based clients on micro- and macro-economic matters that affect them	Through robust and independent research for our clients	Clients and projects worked on	Number of client projects/reports	134 clients 204 projects	123 clients 196 projects	WorkflowMax
	Make our client reports publicly available where possible	Knowledge transfer through our website and media activity by NZIER and our clients	Number of publicly released reports Viewed website Email views Mainstream media mentions	6 1774 819 358	13 3451 Not captured 205	Hubspot Fuseworks

For the year ended 31 March 2025
NZ Institute of Economic Research Inc.

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