



BWA INSOLVENCY

Quarterly Market Report - Q4 2025

Insolvency surge caps off a tumultuous year

2025 delivered a noticeable, though not consistent, lift in economic sentiment. Talk of an upturn is becoming more than wishful thinking, and you don't have to look far to find encouraging clues: lower interest rates, a lift in building permits, stronger farmgate prices, and a general sense that New Zealanders have simply had enough of grinding through difficult years.

However, the gap between renewed consumer confidence and the day-to-day reality for many businesses remains wide, and bridging it will take time.

For companies already in financial distress, the winds of improvement are unfortunately arriving too late. Insolvency doesn't happen overnight; it is rooted in past events: old debt, thin margins, stalled projects, delayed payments. By the time companies go into liquidation, the market conditions that caused their problems are already in the past.

"New Zealanders have had enough of doing hard and there is a genuine lift in confidence. A rising tide will benefit many businesses but it will not reverse the trajectory for those that are already insolvent."

Bryan Williams, BWA Insolvency

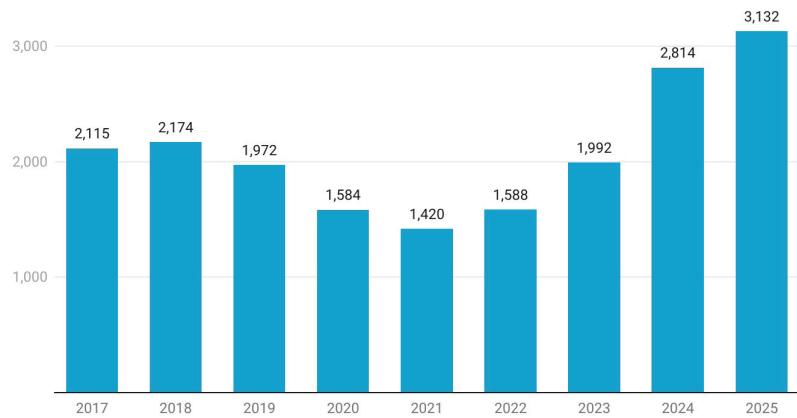
Q4 2025: Insolvencies rise sharply

The final quarter of 2025 delivered the most pronounced lift in insolvency activity we've seen all year, with a total of 933 cases in Q4—a 31.5% rise from 709 in the same quarter in 2024.

Liquidations surged 33.8%, rising from 666 in Q4 2024 to 891 in Q4 2025. Receiverships, however, fell 29.7%, from 37 to 26 quarter on quarter. Voluntary administrations, normally a small but telling category, jumped from 6 to 16. Taken together, Q4 paints a picture of mounting strain among businesses that have exhausted their final levers of resilience.

Across the full year, New Zealand recorded 3,132 insolvencies, up 11.3% from 2,814 in 2024. Liquidations climbed from 2,545 to 2,903, a 14% increase. Receiverships edged down from 197 to 187 – a 5% decrease, and Voluntary Administrations fell from 72 to 42 – a 41% decline.

Total Insolvencies NZ 2017 - 2025



NZ Insolvencies Annual Comparison

LIQUIDATIONS

YEAR-ON-YEAR
2024 – 2025

2024	2545
2025	2903
+ / -	+ 358

RECEIVERSHIPS

YEAR-ON-YEAR
2024 – 2025

2024	197
2025	187
+ / -	- 10

VOLUNTARY ADMINISTRATION

YEAR-ON-YEAR
2024 – 2025

2024	72
2025	42
+ / -	- 30

TOTAL INSOLVENCIES

YEAR-ON-YEAR
2024 – 2025

2024	2814
2025	3132
+ / -	+ 318

Economic Outlook

The end-of-year insolvency figures highlight two realities.

Fewer formal rescue attempts: With VA numbers falling dramatically, fewer companies are opting for structured recovery pathways. This suggests deeper or more terminal distress, where, by the time advice is sought, there is little left to restructure.

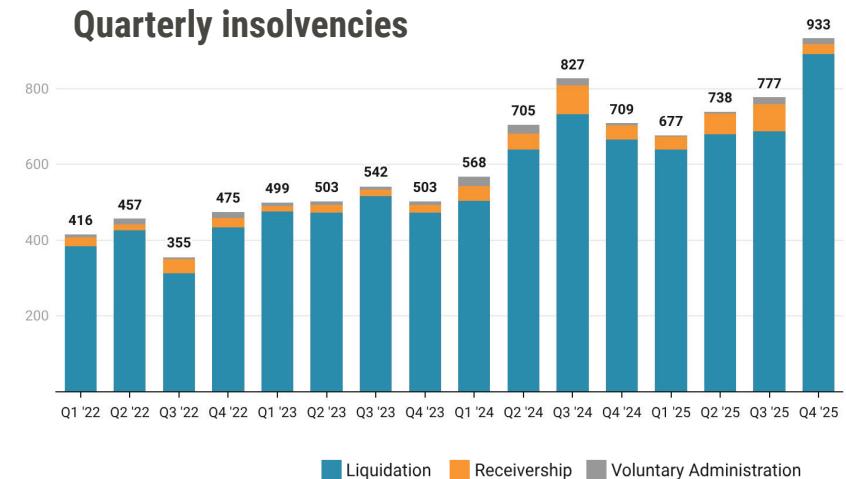
More straightforward failures: The sharp increase in liquidations towards the end of the year points to the number of businesses unable to sustain operations due to persistent financial pressures. Many companies found their trading performance insufficient to cover ongoing expenses, or their capital structures too weak to withstand prolonged economic challenges.

In short, 2025 was a year when more companies bowed out, and fewer tried to claw their way back.

Q4: NZ INSOLVENCIES YEAR-ON-YEAR COMPARISON Q4 2024 VS 2025

	Oct - Dec 2024	Oct - Dec 2025	+/-
LIQUIDATIONS	666	891	+ 33.8%
RECEIVERSHIPS	37	26	- 29.7%
VOLUNTARY ADMINISTRATIONS	6	16	+ 166.7%
TOTAL INSOLVENCIES	709	933	+ 31.6%

Quarterly insolvencies



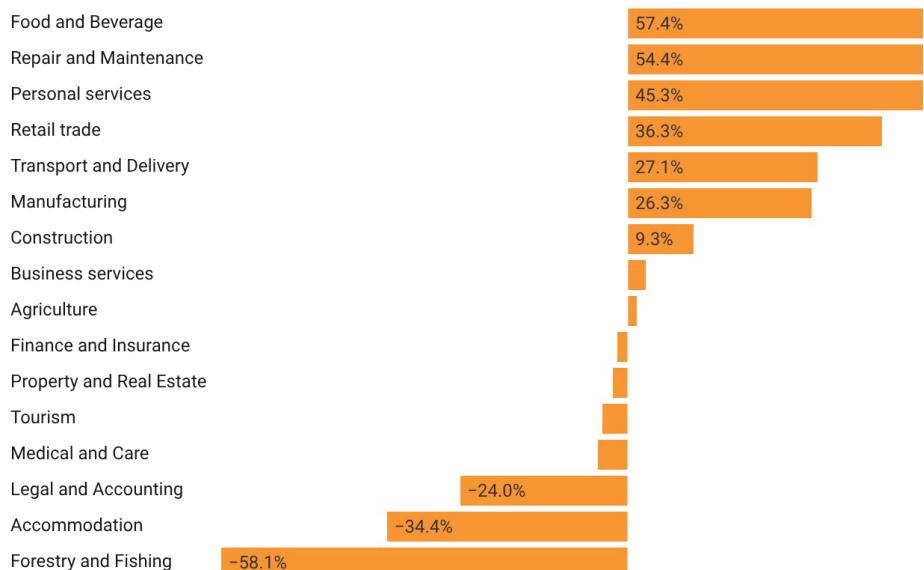
INDUSTRY SPOTLIGHT

Construction remains the largest contributor to insolvencies by volume, rising 9.3% year-on-year. While still high, this single-digit increase marks a noticeable slowdown compared to previous years, suggesting the sector may be moving past the worst of its struggles.

Several consumer-dependent and cost-sensitive industries saw significant increases in annual insolvencies, reflecting the combined pressure of higher operating costs and softer household spending:

The declines in these sectors suggest that businesses have already taken practical measures such as reducing costs, or adapting to changes in customer demand to improve their financial performance.

Annual change in insolvencies: By Industry



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BUSINESS RECALIBRATION ADVICE?
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bryan@bwainsolvency.co.nz
www.bwainsolvency.co.nz