



## Insolvencies decline but risks persist

After the sharp surge in insolvencies at the end of last year, the first quarter of 2026 has brought a noticeable easing in activity. Total insolvencies fell to 772 cases in Q1, down 17% from the 936 cases recorded in Q4 2025, though still 14% higher than Q1 2025, when 677 insolvencies were recorded.

At face value, this retreat is encouraging. It suggests that the extreme pressure many businesses felt late in 2025 has softened, at least temporarily. But this moderation has not occurred in a vacuum. Global geopolitical tension – an unlikely contributor to local business stress just a year ago – has become a genuine handbrake on New Zealand’s economic momentum. Elevated input costs, heightened supply-side risk,

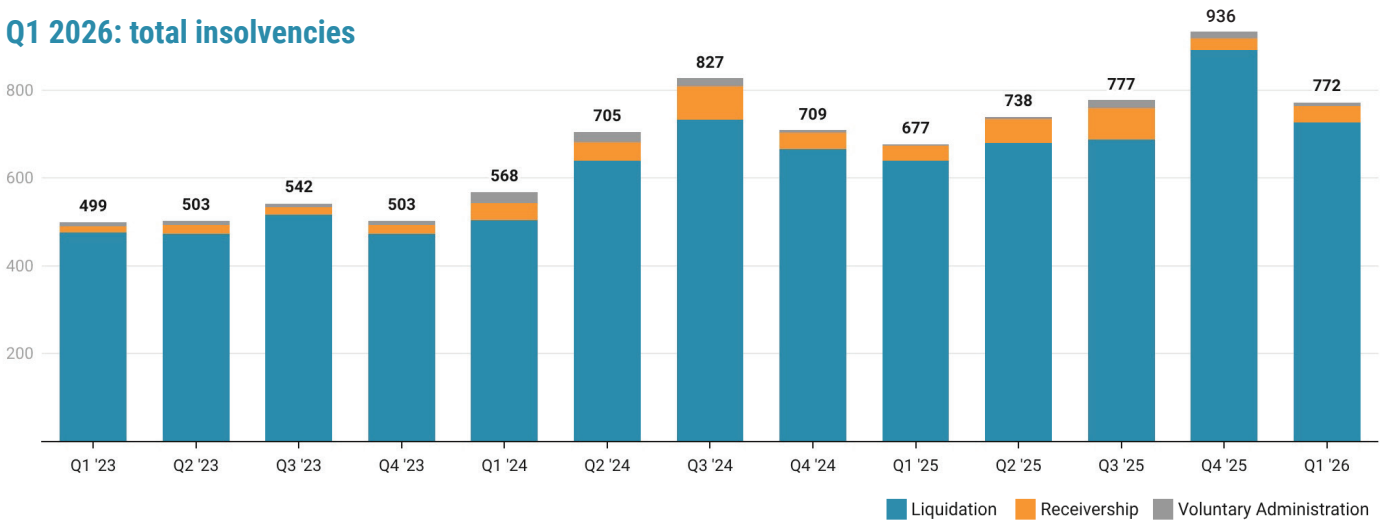
and persistent caution around spending continue to weigh on confidence. When uncertainty rises, discretionary demand is usually the first casualty.

Importantly, this is an external shock rather than a systemic failure requiring government overlay. When conditions offshore stabilise, the relief here will be felt quickly. The return to some sense of normality, however, will take some months as prices and supply reconcile to a more balanced framework of supply and demand.

What sits beneath this quarter’s data is a population of business owners who are, quite simply, fed up with the nagging malaise of insufficient resources to meet their everyday needs. There is, however, growing determination among a new generation of entrepreneurs who are building businesses in what is shaping up to be another disruptive era. The headwinds are real, but so is the capability to adapt.

## QUARTERLY INSOLVENCIES

### Q1 2026: total insolvencies



## NZ Insolvencies Quarterly Comparison Q4 2025 vs Q1 2026

	Oct - Dec 2025	Jan - Mar 2026	+/-
LIQUIDATIONS	894	727	↓ 18.6%
RECEIVERSHIPS	26	37	↑ 42.0%
VOLUNTARY ADMINISTRATIONS	16	8	↓ 50.0%
<b>TOTAL INSOLVENCIES</b>	<b>936</b>	<b>772</b>	<b>↓ 17.5%</b>

## NZ Insolvencies Yearly Comparison Q1 2025 vs Q1 2026

	Jan - Mar 2025	Jan - Mar 2026	+/-
LIQUIDATIONS	639	727	↑ 13.6%
RECEIVERSHIPS	34	37	↑ 8.8%
VOLUNTARY ADMINISTRATIONS	4	8	↑ 100%
<b>TOTAL INSOLVENCIES</b>	<b>677</b>	<b>772</b>	<b>↑ 13.9%</b>



## INDUSTRY SPOTLIGHT: FOOD & BEVERAGE

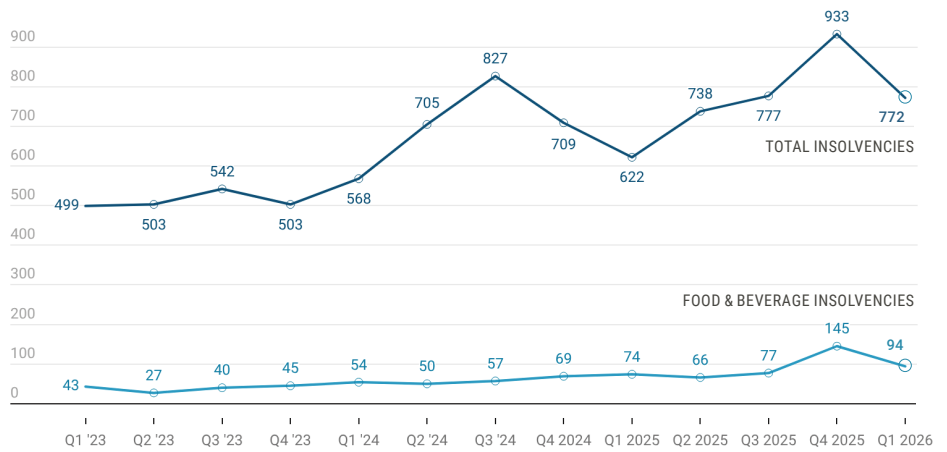
Several consumer-facing sectors recorded notable quarter-on-quarter declines. Food and beverage insolvencies fell from 145 in Q4 to 94 in Q1; retail trade dropped sharply from 95 to 43; and property and real estate cases declined from 96 to 72.

However, consumer-facing sectors are likely to remain under pressure, and the next few months are unlikely to bring immediate relief. As winter sets in, higher household costs and cautious spending behaviour are expected to compound existing challenges. Businesses that rely on discretionary spending – particularly for non-essential goods and services – should be prepared for softer demand. Cashflow resilience, rather than growth, will be the defining priority through the colder months.

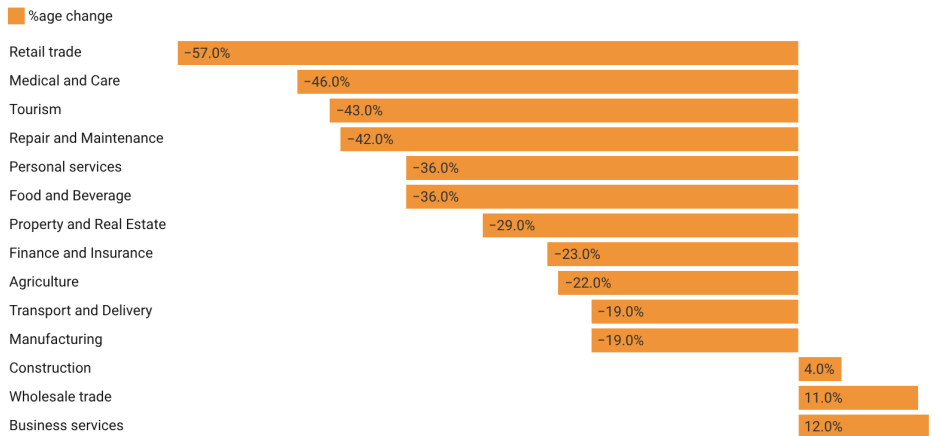
Although growth in the building industry is heralded, it is unlikely that the residential sector will see demand mounting for renovations and extensions, given the current circumstances. Construction continues to record the highest number of insolvencies by volume, with 215 cases in Q1 2026, up slightly from Q4 (201). The commercial sector is also subdued and unlikely to show the expected momentum until the future looks a little less risky.

Professional and business services are also feeling the effects. Clients are taking a far more discriminating view of which services they truly need and what they are prepared to pay for them.

## FOOD & BEVERAGE INSOLVENCIES VS TOTAL INSOLVENCIES



## QUARTERLY CHANGE IN INSOLVENCIES: BY INDUSTRY Q4 2025 VS Q1 2026



## Economic Outlook

The economic outlook for the broader economy is bright. Setting aside current geopolitical issues, the outlook is cautiously positive. There is a sense, both locally and internationally, that New Zealand is well placed to benefit when conditions normalise.

The growing international demand for beef is an example of the opportunities that New Zealand entrepreneurs can exploit. That said, a meaningful number of businesses are still carrying balance sheet strain from the COVID and post-COVID years. Many of those companies have accumulated obligations to Inland Revenue, and it is only a matter of time before a demand is met or liquidation will result.

## Looking Ahead

At its core, business is an exchange between people. As these exchanges scale, structure and discipline matter more. One encouraging trend is the growing ability of New Zealand business owners to grasp the fundamentals of sustainable business frameworks.

Alongside this, a wave of businesses is being built with innovation at their core. Increasingly, New Zealand entrepreneurs are leveraging technology, data and AI-enabled tools to operate more efficiently, differentiate their offerings and reach customers in new ways. While the operating environment remains challenging, these businesses are better positioned to adapt to disruption, manage risk and grow steadily. Over time, this capability will underpin a more resilient, productive and competitive New Zealand economy.



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