

6 April 2017

## **New Zealand job market booming but wages languish**

The New Zealand employment market remains extremely strong with job listings surging by more than 15 per cent year-on-year in the first quarter of 2017, according to the analysis of over 65,000 vacancies advertised on Trade Me Jobs.

Head of Trade Me Jobs Jeremy Wade said it was the third consecutive quarter that the percentage of new listings on the site had jumped by double digits, but wage inflation was benign. “The job market is in great health and we’ve seen incredible jumps in the number of roles advertised but, with a few exceptions, wage growth has been surprisingly flat by comparison.

“While increased migration has probably muted wage growth to date, we think the tide is going to turn. Employers are unlikely to continue finding the right people unless they tempt passive job seekers with the lure of better pay. Money talks and we suspect Kiwi employers will need to meet the job market with higher salaries in the coming months.

### **Job hunters should expect more**

Mr Wade said the average salary for the quarter was basically flat, and down three per cent on the last quarter of 2016. “We’re seeing small increases in average pay across growth industries such as Construction and Customer Service, but overall wages aren’t matching demand.

“The number of roles advertised has exploded in recent months which in turn means that the average number of applications per role has dropped 13 per cent on this time last year. Job hunters can be more selective, which makes it harder to fill these roles.

“Some employers have looked to immigration channels to address this shortage. Immigration alone won’t correct the shortfall, though it may be suppressing wage growth. We think employers are going to have to work hard on their employment brand and/or improve salary packages to lure people away from their current jobs to retain existing staff.”

Mr Wade said ANZ [estimated](#) the job vacancy rate for New Zealand companies is at its highest point since 1994. “If that’s true, then a wage war is just around the corner and job hunters can expect to see a bigger wage packet dangled in front of them.”

### **Auckland city pushes Wellington aside on pay**

For the first time since mid-2014, Auckland City has wrestled the average highest pay (\$71,817) away from Wellington City (\$67,592). Mr Wade said both Wellington and Auckland had seen ‘huge’ growth in new job listings, up 14 per cent and 15.9 per cent respectively.

“Auckland employers are feeling the pinch when trying to employ new people and have been putting more money on the table. There is going to be a neck-and-neck battle between the Capital and the City of Sails as they compete for top talent.”

### **Regions booming**

Mr Wade said it's boom time in the regions as job growth in most areas outstripping the main centres. "Almost every region in the country had double-digit percentage jumps in new listings compared to last year, led by Gisborne (up 40 per cent), the Waikato (up 36.5 per cent) and West Coast (up 32.4 per cent).

"Some of these regions have pretty small job markets but these numbers are incredible. The jump in new listings in the regions has been led by Transport & Logistics, Manufacturing & Operations and Construction sectors."

The only region to fall compared to this time last year was Canterbury (down 2 per cent) which Mr Wade said was predominantly down to a decrease in the number of Trades & Services roles available. "The year-on-year decrease is a reflection of the Canterbury job market recalibrating from its post-quake building boom. Recent job listing volumes suggest the Canterbury job market looks to be stabilising and we don't expect to see it declining for much longer."

### **In the sectors**

Of the 26 sectors monitored by Trade Me Jobs, only five had less listings than the same quarter last year. As with the regions, most sectors reported double-digit increases.

Sectors that did particularly well were Manufacturing & operations (up 34.9 per cent), Retail (up 31.3 per cent) and Property (up 30.7 per cent).

"The biggest fall amongst the sectors was Banking, finance & insurance (down 21.4 per cent) which we put down to ongoing belt tightening from the major banks," says Mr Wade.

Technology continues to be the most lucrative career option on Trade Me Jobs, with all five of the top salary spots taken by IT roles. IT architects were number one again with an average salary of \$144,563.

In the lowest paid roles on Trade Me Jobs there was modest wage growth for Housekeeping (up 3.3 per cent), Caregivers (0.6 per cent), Retail assistants (2.6 per cent) and Bar/Barista (3.5 per cent) roles. "We expect to see the wages for roles like this continue to grow further as the new minimum wage comes into effect."

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### **MORE INFORMATION:**

- **Interviews and regional data:** Jeremy Wade is available for interviews. To lock in an interview with Jeremy or for regional data, please contact Logan Mudge by emailing [mediaenquiries@trademe.co.nz](mailto:mediaenquiries@trademe.co.nz) or phoning (027) 477 9486.
- **National data:** The full Trade Me Jobs Q1 results are set out below. Please let us know if there's any regional data we can look into for you.
- **Further information/comment:** if you'd like further data or analysis see the [ANZ's latest NZ Economic Outlook](#) or [MBIE's Jobs Online report for February](#).

**Table 1: Listings growth by job: Q1 2017 v Q1 2016**

Category	Year-on-year % change: Q1 2017 vs Q1 2016
Accounting	12.9
Agriculture, fishing & forestry	24.5
Architecture	- 14.0
Automotive	29.5
Banking, finance & insurance	- 21.4
Construction & roading	21.8
Customer service	29.1
Education	16.8
Engineering	- 4.7
Executive & general management	22.3
Government & council	17.3
Healthcare	15.1
Hospitality & tourism	20.6
HR & recruitment	6.2
IT	- 13.7
Legal	15.6
Manufacturing & operations	34.9
Marketing, media & communications	- 4.0
Office & administration	16.9
Other	8.1
Property	30.7
Retail	31.3
Sales	10.3
Science & technology	17.5
Trades & services	12.0
Transport & logistics	27.6
<b>Total</b>	<b>15.6</b>

**Table 2: Average pay by job (full-time only): Q1 2017**

	Highest paid	Pay rate (\$)
1	IT architects	144,563
2	IT project managers	140,824
3	IT functional consultants	129,968
4	IT managers	122,222
5	IT data warehousing & business intelligence	119,975

	Lowest paid	Pay rate (\$)
1	Housekeepers	37,775
2	Caregivers	37,907

3	Kitchen staff	38,279
4	Retail assistants	38,702
5	Bar staff & baristas	39,529

**Table 3: Listings growth by region Q1 2017 v Q1 2016**

Region	Year-on-year % change: Q1 2017 vs Q1 2016
Auckland	15.9
Bay Of Plenty	14.8
Canterbury	- 2.0
Gisborne	40.0
Hawke's Bay	22.0
Manawatu / Wanganui	24.4
Marlborough	42.0
Nelson / Tasman	23.6
Northland	23.1
Otago	32.3
Southland	18.8
Taranaki	10.4
Waikato	36.5
Wellington	14.0
West Coast	108.9
<b>Total</b>	<b>15.6</b>

**Table 5: Average pay by region (full-time only): Q1 2017**

	Highest paid	Pay rate (\$)
1	Auckland City	71,817
2	Wellington	67,592
3	Papakura	59,017
4	Upper Hutt	58,740
5	Central Hawke's Bay	58,319

	Lowest paid	Pay rate (\$)
1	Porirua	48,251
2	Mackenzie (Canterbury)	48,291
3	Horowhenua	48,915
4	Western Bay Of Plenty	49,698
5	Grey (West Coast)	50,230