

Job market strong but it might not last long

The New Zealand job market remained strong in the first quarter of 2018 but this may not last long, according to an analysis of over 66,000 vacancies listed on Trade Me Jobs.

Head of Trade Me Jobs Jeremy Wade said that while the employment market appeared healthy, there are signs this could change in the absence of government investment decisions. “After some impressive double-digit growth in 2017, the number of job listings appears to be slowing and only grew a minuscule 0.4 per cent on last year.”

Mr Wade said the average wage was also relatively stagnant on the year prior, up just 0.6 per cent. “As has been the case for the past two years, national wage growth remains stubbornly low. Employees will be pleased to know that with the recent minimum wage increase, we’re expecting to see some good growth in the second quarter.”

Despite evidence the market is cooling, Mr Wade said it’s still a job hunter’s market after the average number of applications per listing fell 13.3 per cent on last year. “Job hunters remain in prime position as we head into April. While there’s still competition for roles, qualified candidates have a better chance of obtaining a new job than they have had in recent memory and employers are going to have to work hard to secure the right candidate for the job.

“This is not ‘doom and gloom’ but it is ‘watch this space.’ Job listings have cooled, particularly in our biggest centres, but in most sectors there’s still hot competition for top talent. It’s tough for employers, but we could see the market swing back in their favour should there be continued uncertainty in the infrastructure sectors.”

Wellington City breaks \$70,000 ceiling

“Wellington employers are bucking the trend and appear to be putting more money on the table to lure candidates away from their current roles,” Mr Wade said.

“Employers in the capital broke through the \$70,000 ceiling for the first time, but Wellington is still second in the race for the highest earning area. However, if this rate of growth continues it could soon overtake Auckland again where wage growth was up just 1 per cent to \$72,509.” Mr Wade said growth in Wellington is likely if demand, as expected, picks up in the government sector.

[See Table 2 below]

The average number of applications in Wellington fell 23.6 per cent on last year, while the average wage climbed a solid 4 per cent to \$70,307. “Listings in Wellington City actually fell 5.2 per cent on last year, but it looks like employers are putting more on the table because finding talent is increasingly tough.”

Uncertainty in construction and roading

Mr Wade said the number of job vacancies in the construction and roading sector fell 3.5 per cent year on year due to growing concerns in the industry.

“Recruiters and employers have told us that uncertainty around future Government infrastructure projects is causing many employers to think hard about their next hire. Coupled with further uncertainty around foreign investment rules and the challenges facing Fletcher Building, it’s a tough road ahead for employers and they’re more cautious committing to new or replacement hires while projects beyond the next year or two are unclear,” he said.

Mixed bag in the regions

Mr Wade said Taranaki, Southland and the Bay of Plenty had ‘amazing’ growth in the first quarter of the year with the number of job listings increasing 17.2 per cent, 14.1 per cent and 12.4 per cent on last year respectively.

“The Auckland and Wellington regions are bearing the brunt of the construction and roading industry uncertainty with job listings falling 5.4 per cent and 9.4 per cent respectively,” he said.

[See Table 1 below]

Sectors prove patchy

“If you work in banking, finance, central or local government, marketing, media or communications it is a great time to be looking at your next move,” said Mr Wade.

The average wage in banking & finance grew 11.6 per cent on last year, with the number of applications down 12.6 per cent. Marketing, media and communications saw the average wage climb 8.7 per cent with applications down almost 40 per cent, and the government and council sector experienced an 8.3 per cent jump in average wage following a 22.8 per cent dip in applications.

The manufacturing and operations sector was strong in the first quarter, with job listings up 17.2 per cent along with transport and logistics which climbed a solid 11.5 per cent on the year prior.

The sectors with the largest decrease in new listings included executive and general management (down 29.4 per cent), IT (down 14.9 per cent) and sales (down 13.4 per cent).

IT roles still the highest paying

"IT roles continue to dominate the highest paid roles on Trade Me Jobs, taking out the top five spots," said Mr Wade.

IT project managers topped the list with an average pay of \$146,256 followed closely by IT architects with an average wage of \$145,063.

[See Table 4 below]

ENDS

MORE INFORMATION:

- **Interviews and regional data:** Jeremy Wade is available for interviews. To arrange an interview with Jeremy or for regional data, please contact Millie Silvester by emailing mediaenquiries@trademe.co.nz or phoning (027) 601 7999.

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.

Table 1 - Total listings growth by region: Q1 2018

| Region | Year-on-year % change Q1 2018 vs Q1 2017 |
|----------------------|--|
| Auckland | - 5.4% |
| Bay Of Plenty | 12.4 % |
| Canterbury | 4.9 % |
| Gisborne | - 5.0% |
| Hawke's Bay | 5.7 % |
| Manawatu / Whanganui | 8.1 % |
| Marlborough | 16.2 % |
| Nelson / Tasman | 13.6 % |
| Northland | 10.0 % |
| Otago | 11.6 % |
| Southland | 14.1 % |

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|--------------------|--------------|
| Taranaki | 17.2 % |
| Waikato | 10.6 % |
| Wellington | - 9.4% |
| West Coast | - 27.7% |
| Grand Total | 0.4 % |

Table 2 & 3 - Average rates of pay by sub-region: Q1 2018

| | Highest Paid | Pay Rate (\$) |
|---|---------------------|---------------|
| 1 | Auckland City | 72,509 |
| 2 | Wellington City | 70,307 |
| 3 | Central Hawke's Bay | 62,547 |
| 4 | Central Otago | 59,704 |
| 5 | Whakatane | 59,523 |

| | Lowest Paid | Pay Rate (\$) |
|---|-----------------|---------------|
| 1 | Waitomo | 49,623 |
| 2 | Waipa | 50,527 |
| 3 | Westland | 50,540 |
| 4 | Mackenzie | 50,548 |
| 5 | South Wairarapa | 51,066 |

Table 4 - Average rates of pay by job sub-category: Q1 2018

| | Highest Paid | Pay Rate (\$) |
|---|---------------------|---------------|
| 1 | IT project managers | 146,256 |
| 2 | IT architects | 145,063 |
| 3 | IT managers | 129,137 |

| | | |
|---|--|---------|
| 4 | Data warehousing & business intelligence | 129,136 |
| 5 | IT business & systems analysts | 120,959 |

Table 5 - Top 5 regions by listing growth

| Category | Year-on-year % change Q1 2018 vs Q1 2017 |
|-----------------|--|
| Taranaki | 17.2 % |
| Marlborough | 16.2 % |
| Southland | 14.1 % |
| Nelson / Tasman | 13.6 % |
| Bay Of Plenty | 12.4 % |