

Business blues rock the job market

Business blues continue to rock the New Zealand job market and employers are increasingly reluctant to hire, according to an analysis of over 66,000 vacancies listed on Trade Me Jobs for the quarter ending 30 June 2019.

Head of Trade Me Jobs Jeremy Wade said the job market continued to weaken in the second quarter of 2019 with the number of job vacancies falling 7.7 per cent on the same period last year.

“The job market went from strength-to-strength in 2018 but this year it's taken a hammering, with business confidence at a ten year low. This is hitting the job market hard and as a result many businesses have put the brakes on their hiring.”

Mr Wade said employers in the main centres in particular appear to be taking a step back with their hiring. “Over the last few years, businesses throughout the main centres have had a huge demand for people and they were really desperate for people to fill their roles, now we're seeing quite a different picture.

“Auckland City employers appear to be hesitant to hire with job listings dropping 15 per cent on this time last year. It's a similar story in Wellington City where vacancies are down 8.2 per cent on 2018.”

Mr Wade said smaller businesses are particularly gun-shy which is making it tough for job hunters across the country. “Small businesses are the backbone of our country and when uncertainty increases these businesses start questioning if they can really afford that new hire. With the recent minimum wage increase and little love for businesses in the recent budget, smaller businesses are tightening their belts.”

Around the sectors

“The business blues are impacting the vast majority of industries with 19 of the 26 sectors we have on Trade Me Jobs experiencing a drop in job vacancies when compared to last year.

“The construction and roading sector - a substantial contributor to growth over the past three years - has been hit hard over the last quarter with listings falling 11 per cent on 2018. Customer service and sales were also feeling the pinch with vacancies down 26 per cent in both sectors,” he added.

It wasn't bad news for every industry, however. “Executive and general management appeared unaffected and was one industry which saw a rise in job vacancies, climbing 12 per cent year-on-year. The retail sector also came away unscathed with an 8 per cent rise in jobs vacancies along with marketing, media and communications which saw a 6.5 per cent bump in listings.”

Wages see largest growth in nearly five years

Mr Wade said while listings are on the decline, there was some good news for job hunters after the national average wage experienced the largest annual increase in almost five years, rising 1.2 per cent y-o-y to \$61,697. This increase, however, hasn't come as a surprise.

“In April we saw the minimum wage go up \$1.20 to \$17.70 an hour, the biggest minimum wage rise in New Zealand history. Despite this increase, wages are still struggling to keep up with living costs.

“The cost of living in New Zealand continues to rise and pay packets aren’t reflecting that. Recently we’ve seen petrol prices, the median weekly rent and property prices peak, but only a small increase in pay which is making it harder and harder for many Kiwis.

“Unfortunately for employees we don’t expect to see the average wage increase significantly in the coming months. Outside of government mandated changes like the minimum wage and where there are notable talent shortages, there’s not much incentive for employers to offer better wages while the number of new jobs is retreating,” he said.

Highest paying areas

“Wellington holds the title for the highest paying region with an average salary of \$67,165 up 1 per cent year-on-year.

“Taking a closer look at the cities and districts, Auckland City pays the most of any area with an average wage of \$72,018. Wellington City comes in a close second offering \$71,798.”

Mr Wade said the job market in the Bay of Plenty was looking particularly healthy with Kawerau taking out the third spot for the highest paying area at \$66,108 after a 34 per cent rise in job listings.

“Wanaka was next, and reached a record average pay in the second quarter of the year at \$62,047 while Whakatane came in fifth with an average wage of \$61,677.”

The five most lucrative industries

“IT still tops the list for the highest paying industry on Trade Me Jobs with an average wage of \$110,968 and employers are still willing to pay top dollar for the right candidate.”

Executive and general management was the second most lucrative industry at \$103,665, followed by roles in Government and council which hit a record average pay at \$84,565.

“Employees in property earned an average salary of \$84,136 making it the third highest paying industry, while jobs in architecture came fifth earning \$81,638,” Mr Wade said.

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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 phone (027) 601 7999.
- **National data:** The full Trade Me Jobs Q2 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: Q2 2019

Region	Year-on-year % change Q2 2019 vs Q2 2018
Auckland	- 12.9%
Bay Of Plenty	5.3 %
Canterbury	- 14.6%

Gisborne	2.5 %
Hawke's Bay	16.3 %
Manawatu / Wanganui	- 5.2%
Marlborough	- 4.1%
Nelson / Tasman	- 11.0%
Northland	- 3.6%
Otago	1.7 %
Southland	6.5 %
Taranaki	4.0 %
Waikato	- 1.1%
Wellington	- 5.7%
West Coast	- 4.7%
Grand Total	-7.7%

Table 2 - Average rates of pay by sub-region: Q2 2019

	Highest Paid	Pay Rate
1	Auckland City	\$ 72,018
2	Wellington City	\$ 71,798
3	Bay of Plenty - Kawerau	\$ 66,108
4	Otago - Wanaka	\$ 62,047
5	Bay of Plenty - Whakatane	\$ 61,677
	Lowest Paid	Pay Rate
1	Hurunui	\$50,123
2	Ruapehu	\$52,803
3	Rangitikei	\$52,939
4	Hauraki	\$53,022
5	Mackenzie	\$53,204

Table 3 - Average rates of pay by sub-category: Q2 2019

	Highest Paid	Pay Rate
1	IT - Architects	\$153,125
2	IT - Project management	\$139,481
3	IT - Management	\$139,196
4	IT - Testing	\$131,274
5	IT - Business & systems analysts	\$121,788

	Lowest Paid	Pay Rate
1	Hospitality & tourism - Housekeeping	\$40,656
2	Hospitality & tourism - Kitchen staff	\$41,263
3	Retail - Retail assistants	\$42,739
4	Hospitality & tourism - Waiting staff	\$43,013
5	Manufacturing & operations - Process & assembly	\$43,635