

Employment market goes cold

After some very strong years New Zealand's job market has markedly weakened according to analysis of almost 62,000 vacancies listed on Trade Me Jobs for the quarter ending 31 March 2019.

Head of Trade Me Jobs Jeremy Wade said there had been signs for the past nine months that the extremely strong job market was weakening but the sudden decline in the first three months of 2019 had been a "surprise". "New job listings were down 6.1 per cent year-on-year this quarter, that's the first drop we've seen in the past 10 years.

"Our data shows that the private sector job market peaked around the start of 2018 and there has been a significant (5-10 per cent) tail off since then. The decline in business confidence is now reducing new hiring"

Mr Wade noted that employer caution is reducing new listings and advertised wages, despite difficult filling vacancies. "Salaries were up just 1.1 per cent year-on-year this quarter. "This is having a knock on effect in terms of how long it takes to fill positions too. Without higher wages, there's little incentive for skilled job hunters to jump ship.

"The numbers we're seeing suggest that this slow wage growth is likely to continue for the rest of 2019."

Mr Wade said that despite the decline in listings, the talent shortage remains. "New Zealand's talent shortage is a structural problem and is not resolved with a decline in number of jobs on offer. Unfortunately there are still sectors where the demand for skills outstrips supply, which requires better long-term planning and investment by Government and Industries".

Pain for Auckland and optimism for the regions

Mr Wade said the weakness in job vacancies is concentrated in the main centres: Auckland and Canterbury were down 13.1 and 10.3 per cent respectively while the Wellington region was up just 0.3 per cent.

"Auckland has driven much of the downturn we're seeing. The start of 2019 has been brutal for the Super City's employment market. As well as listings being down, average pay has dropped (down 0.3 per cent).

"Auckland's dip has been spectacular in just how suddenly it's come about. Auckland employers appear to be pessimistic rather than just cautious about the future and they're battenning down the hatches. It could be an interesting year."

Meanwhile many of the smaller regions many saw jumps in vacancies. "Gisborne (up 36.9 per cent), Hawke's Bay (up 15.1 per cent), Southland (up 14.5 per cent) and the West Coast (up 23.1 per cent) all saw impressive jumps in listings. However, Mr Wade warned that this could be a temporary state of affairs as the Auckland knock-on effect could spread in the coming months and years.

“Over two years ago we saw Auckland growing strong and that gradually flowed through to the regions. While the regions continue to hold strong, we’re concerned how they will be impacted in another year or so.

“We will watch with interest whether stimulus from the Provincial Growth Fund enables the regions to buck the trend. We tend to see a lag of over a year before the regions are impacted. In the absence of any other stimulus, we’d expect the regions to also decline in the near future.”

Changes in the sectors

Mr Wade said the dip in confidence in the job market was evident when looking across the sectors. “Of the 26 sectors we have on Trade Me Jobs 16 had lower job vacancies compared with the first quarter of 2018.

“Many of these sectors have seen sustained growth for the last few years and now they’re dropping off those incredible highs. Sales (down 18.8 per cent) and Customer Service (down 18 per cent) were both down significantly on 2018.

“We’ll be watching to see how this apparent downturn impacts the other sectors over the rest of the year and beyond.”

IT still the most lucrative career

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

IT architects topped the list with an average pay of \$155,530 followed by IT project management roles earning an average wage of \$149,759.

“While the IT sector saw a 4 per cent drop in vacancies compared to this time last year, there’s still demand from employers and they’re willing to pay top dollar to lure people to change employers.”

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 Logan Mudge by emailing mediaenquiries@trademe.co.nz or phone (027) 477 9486.
- **National data:** The full Trade Me Jobs Q1 2019 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 2019

Region	Year-on-year % change Q1 2019 vs Q1 2018
Auckland	- 13.1%
Bay Of Plenty	1.0 %
Canterbury	- 10.3%

Gisborne	36.9 %
Hawke's Bay	15.1 %
Manawatu / Wanganui	- 5.2%
Marlborough	2.9 %
Nelson / Tasman	2.3 %
Northland	- 3.5%
Otago	11.2 %
Southland	14.5 %
Taranaki	9.1 %
Waikato	- 13.7%
Wellington	0.3 %
West Coast	23.1 %
Grand Total	- 6.1%

Table 2 - Average rates of pay by sub-region: Q1 2019

	Highest Paid	Pay Rate
1	Auckland City	\$ 71,904
2	Wellington City	\$ 71,614
3	Waikato	\$ 67,134
4	Kaipara	\$ 66,714
5	South Taranaki	\$ 61,871
	Lowest Paid	Pay Rate
1	Hurunui	\$49,200
2	Mackenzie	\$50,028
3	Kaikoura	\$51,598
4	Western Bay of Plenty	\$52,446
5	Westland	\$52,676

Table 3 - Average rates of pay by sub-category: Q1 2019

	Highest Paid	Pay Rate
1	IT - Architects	\$155,530
2	IT - Project management	\$149,759
3	IT - Management	\$132,890
4	IT - Business & systems analysts	\$131,066
5	IT - Testing	\$130,570

	Lowest Paid	Pay Rate
1	Hospitality & tourism - Housekeeping	\$39,708
2	Hospitality & tourism - Kitchen staff	\$40,115
3	Retail - Retail assistants	\$41,445
4	Hospitality & tourism - Reception & front of house	\$42,270
5	Hospitality & tourism - Bar staff & baristas	\$42,383