

Media release
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New Zealand's job market on the mend

New Zealand's job market has bounced back earlier and stronger than anticipated, according to analysis of over 33,000 vacancies listed on Trade Me Jobs for the quarter ending 30 June 2020.

Head of Trade Me Jobs Jeremy Wade said the job market ended the second quarter of the year in better shape than expected with some sectors seeing more job vacancies than the same time last year. "There's no denying that the nationwide lockdown shook New Zealand's job market to its core, but we are already seeing a number of encouraging signs that it's recovering faster and better than we predicted."

Mr Wade said the number of new job listings in June was down by 17.5 per cent when compared to the same month in 2019. "This is remarkably better when compared to the annual drop in job listings we saw in April (-72%), and May (-52%), and some sectors had bounced back faster than others.

"While hospitality and tourism saw one of the steepest year-on-year drops in job listings in March (-44%) and April (-89%), we actually saw an annual increase in vacancies in June, with job listings up 9 per cent when compared to the year prior.

"Many hospitality and tourism businesses would've had to act quickly to cut costs by reducing their headcount and cancelling any new hires they had planned at the beginning of lockdown. However, now that these businesses are able to open for business and Kiwis are taking the opportunity to explore their backyard, employers are having to bolster their teams to keep up with customers.

"While there are some positive signs that the job market is on track to find its rhythm again, the worst may still be yet to come. Post-September could be the toughest for small businesses. It won't be until then, when the Government wage subsidy has run out, that we expect to see the real impact of COVID-19 on the market."

Agriculture, property and technology job listings spike

The impact of lockdown was very mixed across the sectors with some seeing job listings continuing to grow healthily while others saw a massive dip.

"New job listings were down year-on-year for the quarter in every sector but there were some which have bounced remarkably well in June with business returning to normal. Agriculture-fishing & forestry (up 37% on the year before), property (20%), and science & technology (29%) all saw job listings increase during June and are showing no signs of slowing down.

"On the other side of the coin there are sectors that are taking much more of a wait-and-see approach, pausing any plans to hire for now. Job vacancies in customer service (-55%), architecture (-50%), marketing-media & communications (-59%), and sales (-42%) were still significantly down in June when compared to the year prior.

"With job listings down and more job seekers in the market, demand from job seekers soared in a number of sectors too with architecture (223%), sales (117%), and marketing-media & communications (152%) seeing the biggest increases over the last quarter."

Demand for jobs is on the rise

Mr Wade said the uptick in new job listings in June will come as welcome news for the growing number of job seekers onsite. "In the second quarter of 2020 we saw a 61 per cent increase in the number of applications onsite when compared to the same period last year.

"With redundancies announced across the country and 25,000 New Zealanders returning from overseas, the demand and the competition for many roles is fierce."

Data from the second quarter showed demand for roles with flexible working arrangements was at an all-time high, with 'work from home' seeing an average of 2,000 searches a day.

"Lockdown was a big test for both employers and employees to see if working from home was a viable option. For many it worked really well, and some job seekers have decided they prefer it. As a result, employers are going to have to think about how they can accommodate this growing demand for flexible working."

Mr Wade added that one of the most popular jobs in Q2 was a work from home data entry role, which received over 5,000 views and 853 applications.

Regions better off than cities

Mr Wade said the Auckland job market appears to be recovering at a slower pace than the nationwide average. "The number of new job listings in the Auckland region was down by 55 per cent in Q2 compared to this time last year. Auckland city was hardest hit in the region with roles down 58 per cent.

Demand for jobs in Auckland was significantly higher than the national average, up by 97 per cent in the region and 113 per cent in Auckland city.

"Auckland is a region that is heavily dependent on tourism, so it is unsurprising the job market has been hit hard by the drastic reduction in overseas visitors."

Mr Wade said the number of new job listings in Wellington was also down on the national average but demand was comparatively steady. "The number of new job listings in the Wellington region was down by 49 per cent overall and 52 per cent in Wellington city when compared to the same quarter last year. Demand for job vacancies, on the other hand, was up 40 per cent in Wellington region and 45 per cent in Wellington city."

Looking at the regions, Mr Wade said some provinces had seen a particularly fast recovery in job listings. "While the quarter was, of course, hard nationwide, June saw some green shoots for a number of regions. New job listings were up year-on-year in June in a number of parts of the country with Hawke's Bay (4%), Bay of Plenty (2.5%), Manawatu/Whanganui (8%) Marlborough (8%) Northland (10%) Taranaki (15%), and the West Coast (8%) all seeing increases."

In Canterbury, demand for job vacancies rose by 67 per cent year-on-year in Q2, and Marlborough saw a similar increase of 71 per cent. Mr Wade said he expected Canterbury and Marlborough would likely see higher rates of unemployment in the near future unless more money is invested into local infrastructure projects.

Salaries hold steady

Mr Wade said despite the drop in job listings, the national average salary remained relatively unchanged on the year prior. “The average salary was \$62,785 in Q2, a 1 per cent increase when compared to the same period in 2019.

“This suggests that employers are thinking long term, rather than looking to save a few bucks in the short term while there's more job seekers in the market. This may also be a result of employers struggling to find the right candidates.

“Wellington city was the highest paying district in the second quarter of 2020, with an average salary of \$74,301, up 3 per cent year-on-year. Auckland city came in second at \$71,346, a 1 per cent decrease when compared to the same quarter last year.”

The IT sector continued to dominate the highest paid jobs onsite. “Project management, business & systems analyst, system engineer, and programming & development roles in IT were the four highest paying roles last quarter.

“Further, the science & technology sector saw a 27 per cent increase in average pay when compared to Q2 last year. On the other hand, the average pay in the construction and roading sector was down by 10 per cent, and down by 3 per cent in the architecture sector.”

Full force of COVID-19 not yet felt

Mr Wade said that while things were beginning to get back on track, we are still yet to feel the brunt of COVID-19's impact on the job market. “We don't yet know how New Zealand's job market will fare in the long-term. The return to normality after lockdown led to a jump in listing numbers, however, this may not be sustainable in the long run.

“We expect to see the job market at its worst in September and October, when the Government's wage subsidy is due to end and businesses will be on their own. The election is another curveball that will not help business confidence and therefore the desire to hire”

Mr Wade said increased investment into infrastructure projects may help keep unemployment rates down. “On July 1, the Government announced a number of shovel-ready projects that are predicted to create thousands of jobs around the country. The economic impact of these projects will vary between regions but we expect to see job listings spike in related sectors in the coming months.

“We hope to see more initiatives announced in the coming months which will stimulate the job market.”

Total listings growth by job category

Category	Year-on-year % change Q2 2019 vs Q2 2020	Year-on-year % change June 2019 vs June 2020
Accounting	- 59.2%	-36.2%
Agriculture-fishing & forestry	- 18.5%	37.4%
Architecture	- 72.3%	-50.4%
Automotive	- 55.5%	-16.3%
Banking-finance & insurance	- 64.4%	-55.1%
Construction & roading	- 32.3%	-2.0%
Customer service	- 72.5%	-54.6%
Education	- 51.7%	-22.8%
Engineering	- 50.5%	-25.4%
Executive & general management	- 56.3%	-24.4%
Government & council	- 56.6%	-24.2%
Healthcare	- 37.5%	-17.4%
Hospitality & tourism	- 49.8%	8.9%
HR & recruitment	- 64.7%	-51.8%
IT	- 57.1%	-45.1%
Legal	- 41.4%	-17.6%
Manufacturing & operations	- 45.5%	-16.6%
Marketing-media & communications	- 70.6%	-59.1%
Office & administration	- 69.3%	-48.8%
Other	- 36.6%	23.0%
Property	- 10.2%	20.6%
Retail	- 60.4%	-18.3%
Sales	- 66.3%	-42.4%
Science & technology	- 35.4%	29.2%
Trades & services	- 36.6%	-4.1%
Transport & logistics	- 52.2%	-27.0%
Grand Total	- 43.1%	-17.5%

Highest paying jobs: Q2 2020

	Highest Paid	Pay Rate (\$)
1	IT - Project management	\$132,388
2	IT - Business & systems analysts	\$128,874
3	IT - Systems engineers	\$116,641
4	IT - Programming & development	\$111,863

5	Construction & roading - Project & contracts management	\$110,582
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Total listings growth by region		
Region	Year-on-year % change Q2 2019 vs Q2 2020	Year-on-year % change June 2019 vs June 2020
Auckland	- 48.5%	-30.5%
Bay Of Plenty	- 40.3%	2.5%
Canterbury	- 44.2%	-21.4%
Gisborne	- 17.4%	18.9%
Hawkes Bay	- 37.9%	4.3%
Manawatu / Wanganui	- 29.1%	8.0%
Marlborough	- 46.5%	7.8%
Nelson / Tasman	- 40.0%	-0.5%
Northland	- 32.6%	10.3%
Otago	- 53.2%	-16.7%
Southland	- 42.3%	-18.5%
Taranaki	- 22.1%	15.0%
Waikato	- 33.2%	-2.9%
Wellington	- 42.9%	-22.1%
West Coast	- 38.8%	7.9%
Grand Total	- 43.1%	-17.5%