

### **COVID-19 already shaking up the jobs market**

While it is too early to know what shape the COVID-19 pandemic will leave New Zealand's job market in, the level 4 lockdown has already had an unprecedented impact on new and existing job listings over the past fortnight.

Head of Trade Me Jobs, Jeremy Wade, said news of the Government's four week level 4 lockdown had an immediate effect on the number of jobs advertised onsite. Mr Wade said listing volumes had remained relatively steady throughout the COVID-19 news, until the imminent lockdown was announced. "Almost immediately we saw a 50 per cent drop in new listings and the number of listings withdrawn jumped by 40 per cent."

There was a decline in listings across the board, but Mr Wade said some sectors came out worse than others. "As you'd expect, one of the hardest-hit sectors was hospitality and tourism. Following the lockdown announcement, the number of listings for chefs were down 42 per cent year-on-year and down 60 per cent when compared to January. Similarly, there were only half the number of wait staff job listings when compared to January."

The trades & services sector also suffered after the announcement. "There was a steep drop in the number of hairdressing job listings following the lockdown announcement – with only a third of the amount we saw onsite in January, and 45 per cent less than the March last year."

However, Mr Wade said some sectors managed to buck the trend. "While the transport & logistics sector saw a 12 per cent drop in listings year-on-year as a whole, management, freight forwarders and couriers job listings were steady, as these are roles still needed during the lockdown."

"Warehouse and distribution listing volumes remained more or less flat compared to the year before, seeing just a 2 per cent decrease. This is unsurprising given that food delivery and couriers were deemed essential from day one of lockdown"

"The healthcare sector also saw a spike in some categories – for instance, community and social services job listings were up 27 per cent when compared to March 2019 – while other categories remained flat.

Likewise, IT has come out okay with some categories – such as business/system analysts and security roles – even seeing an increase in listings."

### **Some good news**

Mr Wade said the good news is there is still activity and opportunity in the job market, with many essential employers looking to bolster their teams. "It's certainly not all doom and gloom if you're looking for a role now. We currently have one listing onsite from a security firm looking to fill 300 roles as soon as possible. There is also a peak in demand for supermarket workers, couriers and distribution and production workers."

“We are seeing healthy demand from job seekers too – there was a whopping 250 percent increase in the number of supermarket job applications last week. This is great news for essential roles that employers are looking to fill urgently.”

### **Outlook for the future**

Mr Wade said it will be interesting to see how the lockdown impacts the job market in the long run.

“We don’t know how the employment market will look post lockdown. Economists are predicting big variations in unemployment rates, anywhere from 7.5% to 30% – the disparate range highlights the extent of uncertainty we are facing.”

“What we can be sure of is the longer the lockdown lasts, the greater the negative impact on jobs and business for at least the next 12 months.”

“The sad reality is that a lot of businesses that existed pre-lockdown will not exist post-lockdown, while others will be preparing for a significantly different set of economic conditions when compared to four weeks ago.”

“While most businesses will be impacted, some sectors – such as tourism and hospitality – will be a shadow of what they were in the past. Workers in those sectors will be forced to look to less affected industries for employment.”

“With that said, we expect to see a few sectors who have an immediate demand for employees as they seek to get back up to speed.”

### **Q1 prior to the COVID-19 level 4 lockdown announcement**

Prior to the level 4 lockdown announcement, the New Zealand employment market was showing some signs of softening in the first quarter of the year but was in relatively good shape, according to the analysis of 58,000 vacancies listed on Trade Me Jobs for the quarter ending 31 March 2020

“The first three months of 2020 showed a job market in reasonable shape. While nationwide the number of new job listings dropped by 6.5 per cent year-on-year there was a 1 per cent increase in average pay. This suggests that while there was less demand for people, employers were still willing to pay for the people they really needed.”

### **Salaries steady**

The national average salary remained steady from the last quarter, sitting at \$62,035. “Wellington Central listings were still the highest paid in the country, with an average of \$72,623. Auckland City was a close second, with an average of \$71,758”

IT jobs continue to make up the majority of the highest paid roles list. “Within the IT sector, management roles were the highest paid, with an average salary of \$144,312. This was closely followed by IT Architecture roles, which averaged at \$142,214.”

Although the IT sector saw a 14.5 per cent decrease in total job listings when compared to this time last year, salaries increased by 2 per cent. “High salaries continue to be a powerful tool for attracting top IT talent and driving employer changes.”

Among other high paying roles were Finance Managers (\$110,755) and Construction Site Managers (\$108,355).

### Looking at the regions

Across New Zealand, listings were down for most regions with only a few exceptions. “Northland saw a 7 per cent increase in total listings when compared to the same period in 2019.”

“Lower down the North Island, Manawatu/Wanganui saw a significant increase of 9 per cent in total listings, as well as 5 per cent increase in average pay. Hawke’s Bay job listings were also up by 3 per cent.

In contrast, Auckland, the West Coast, Canterbury, Marlborough and Otago listings all saw a significant decline in the number of listings when compared to 2019.

### 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 Ruby by emailing [ruby.topzand@trademe.co.nz](mailto:ruby.topzand@trademe.co.nz) or phone (027) 298 6889.
- **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 Q1 2019 vs Q1 2020
Auckland	- 10.2%
Bay Of Plenty	- 3.0%
Canterbury	- 12.5%
Gisborne	- 9.4%
Hawkes Bay	3.2 %
Manawatu / Wanganui	9.3 %
Marlborough	- 13.3%
Nelson / Tasman	- 3.3%
Northland	7.3 %
Otago	- 9.1%
Southland	- 1.4%

Taranaki	- 2.1%
Waikato	- 2.7%
Wellington	- 1.6%
West Coast	- 14.2%
<b>Grand Total</b>	<b>- 6.5%</b>

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

	Highest Paid	Pay Rate
1	Wellington - Wellington	72,623
2	Auckland - Auckland City	71,758
3	Bay Of Plenty - Kawerau	70,741
4	West Coast - Grey	64,351
5	Otago - Wanaka	62,186
	Lowest Paid	Pay Rate
1	Canterbury - Hurunui	51,000
2	West Coast - Westland	51,167
3	Bay Of Plenty - Western Bay Of Plenty	51,922
4	Canterbury - Mackenzie	52,669
5	Marlborough - Blenheim	54,546

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

	Highest Paid	Pay Rate
1	IT - Management	144,312
2	IT - Architects	142,214
3	IT - Project management	140,449
4	IT - Business & systems analysts	135,415
5	IT - Testing	124,500

	<b>Lowest Paid</b>	<b>Pay Rate</b>
1	Hospitality & tourism - Housekeeping	41,383
2	Hospitality & tourism - Reception & front desk	42,313
3	Hospitality & tourism - Kitchen staff	42,508
4	Retail - Merchandising	43,494
5	Retail - Retail assistants	44,026