

NZ Employment Market Report 2017

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FOREWORD

Welcome to the 2017 edition of the Madison Employment Market Report which I hope you find both interesting and informative.

Economic conditions in New Zealand continue to follow a positive trajectory. Net migration is breaking records, unemployment rates are low and workforce participation has reached an all-time high. The Auckland property and construction boom and the structural changes caused by the 'digital world' further complicate the local employment landscape. Against this backdrop, the country is experiencing almost universally strong labour demand, and identifying and recruiting key talent has proved challenging over the past year. Some skill sets are in extremely short supply with candidates in possession of those skills able to command premium remuneration levels.

To succeed, businesses need to respond quickly to the ever changing digital landscape. As a result of the rapid pace of change, there has been increased pressure on programmes of work. We have observed a subsequent increase in demand for interim talent across all industries, together with requirements for project management capability to manage the programmes. This shows no sign of abating and will be an ongoing trend for a number of years.



We continue to see the blurring of skills between one discipline into another. The increasing prevalence of the Chief Digital Officer highlights the convergence of traditional IT and Marketing roles. This is also evident in other areas such as data analysis, which increasingly sits across various functions within an organisation. We will be working closely with candidates to help them navigate career pathways in this ever changing setting.

The Auckland boom has led to employment consequences further afield. In particular we have seen raised levels of activity in the Waikato region. The area enjoys good levels of housing affordability and transport links are rapidly improving. Combined with growth in agri-technology, logistics and manufacturing opportunities, it is anticipated that the Waikato labour market will experience significant growth in the next few years.

On behalf of the team at Madison we do hope you find this report useful and we look forward to helping our clients and candidates succeed in these interesting and challenging times.

A handwritten signature in black ink, appearing to read 'SDJ', with a large, stylized flourish extending from the bottom.

Steve Jackson
Chief Operating Officer

methodology

The salary data for this report was gathered using Madison placements throughout the year, supplemented and validated by market research. Within some locations, where we have not recruited for a particular discipline we have opted not to include salary data.

Commentaries were built from a number of sources, starting with our experienced consultants who have a deep understanding of their respective industry or discipline areas. To this we added conversations with clients and candidates nationwide, industry forums, networking events or learning sessions, specifically undertaken market research and government issued statistics.

salary table key

Low—typically the starting salary for a role

High—the highest expected salary for the role. Based on trends; we do not include outliers.

% change—this figure takes into account both increases and reductions in salary points between 2016 and 2017 figures to provide an overall shift in the median salary.

'---'—indicates no significant change in median salary

ACCOUNTING & FINANCE

the year in retrospect

2016 saw a fair amount of movement in the accounting space and in certain pockets of the finance market, but hiring confidence amongst banks was shaky. Where recruitment occurred it was focused on business-as-usual rather than growth and with careful maintenance of existing headcount. Restructures and branch closures in some regional areas reduced demand. Salaries rose slightly across regions, with the biggest increases seen in the Waikato market. Overall the accounting and finance markets were consistently active, but subdued in comparison with other industries.

unique accounting

The accounting world is an interesting space; it acts almost as a microcosm of New Zealand's overall labour market, describing supply challenges specific to our local climate that we expect to see continue throughout 2017 and beyond. Within this space experienced accounting professionals were already in high demand. Last year saw even more vacancies generated due to New Zealand's economic growth and emerging markets like the FinTech industry. The most sought-after profile for senior industry roles was a candidate with an explicit set of tertiary qualifications, demonstrable technical skills, 'X' years of experienced gained from a small range of reputable organisations, combined with great soft skills and an understanding of emerging finance technologies. Despite relatively low unemployment, an all-time high workforce participation rate (70.1%) and record numbers of net migration, there have simply not been enough of these quality candidates in the NZ market to meet demand. The supply and demand friction is an ongoing challenge in this market and is also evident in other sectors. This inefficiency is predicted by some to cap the country's labour market growth.¹

movement and money

Within the accounting and finance space, very senior professionals at CFO level have tended to stay put, and market movement in 2016 was predominantly found in the junior and mid-level space. High numbers of graduates entered the market across NZ², and this had a knock on effect on salaries. Starting salaries for some role types actually decreased. The median salary for Finance Managers in Wellington for example, was 10% lower than in 2015/16. This was as a result of businesses resizing jobs and salary brackets to accommodate younger, less experienced candidates.

Auckland's construction and property boom was felt across the country and across industries, and within accounting we saw this play out in the payroll space. As projects expanded and resources ramped up there was a significant increase in demand for Payroll professionals, particularly those with volume payroll experience. Salaries rose a little to match demand, and we saw a 4% increase in median salary in Auckland and an 11% rise in Christchurch. This is projected to be an area of continued growth throughout 2017, though we expect to see payroll functions more heavily resourced with interim and temporary resources to ensure headcount levels remain stable.

Transactional accounting professions were also in demand nationwide which again can be attributed to the key pillars of NZ's current economic growth; tourism, property and construction. There was simply more money flowing between organisations and as the engine room of the accounts team, more Accounts Receivable (AR) and Accounts Payable (AP) professionals were needed to manage this. Salary increases for these roles were minimal, with Wellington AP and AR roles seeing the biggest increase in median salary with a 5% rise. We'll be watching this space next year to see if salaries are pushed upwards.

¹ ANZ's Labour Market Review, January 2017

² In 2015 there were over 1800 Graduates in Accounting in NZ, a 14% increase since 2008

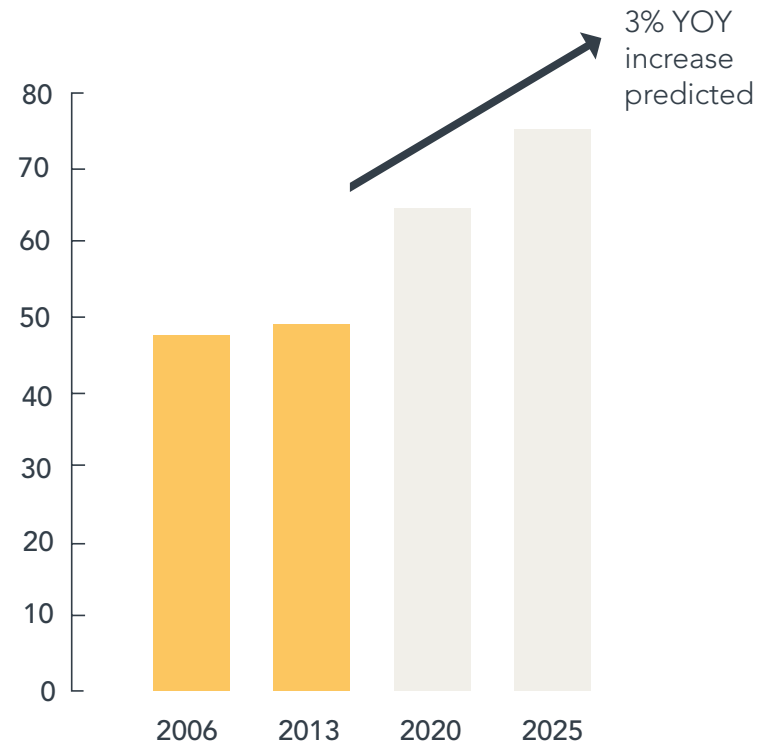
expectations

Candidates' salary expectations were on the whole realistic, with the main drivers for movement being more about career progression, security and organisational culture. That being said, talented professionals with the desired profile and attributes certainly understood their worth and were prepared to negotiate with employers both on dollars and non-monetary benefits. In Christchurch we noticed more candidates compared to the year prior moving for a better cultural fit. Regional areas saw the usual relocations, particularly in the more junior level accounting and finance roles, due to housing affordability issues in our biggest city. Wellington reported candidates relocating to the Capital from smaller cities to enjoy a wider range of career opportunities.

forecasting

It will be interesting to see what the rest of 2017 and into 2018 brings for the industry. Data on the number of job adverts for the banking and financial services industry in NZ was down by 10% for January 2017 and activity in banking has been sluggish for the year to date. However there are several factors that could really ignite the market: ongoing construction and infrastructure projects in Auckland and Hamilton, and the rapidly growing FinTech industry, now supported by its own association, the New Zealand Financial Innovation and Technology Association (FinTEchNZ) which launched in February of this year. We anticipate a busy year of recruitment, and expect to see more specialised roles emerging, more training and mentoring of younger talent in the market, and a bigger focus on 'importing' overseas accounting talent.

Predicted growth in Accountant employment in NZ



Source: Statistics NZ Census and MBIE projections

ACCOUNTING & FINANCE SALARIES

2016 -17 range in NZD \$'000s

role	AUCKLAND			WELLINGTON			WAIKATO			CHRISTCHURCH		
	Low	High	% change	Low	High	% change	Low	High	% change	Low	High	% change
Chief Financial Officer	150	220	5%	150	210	3%	130	160	3%	120	180	---
Financial Controller	130	200	---	125	180	---	120	150	7%	100	160	---
Commercial Manager	120	180	10%	140	180	---	110	130	---	120	160	---
Finance Manager	120	150	4%	95	160	-10%	100	125	---	100	120	---
Payroll Manager	90	160	---	80	150	---	70	95	---	90	120	---
Financial Accountant	80	120	---	90	120	---	80	110	---	80	140	---
Management Accountant	80	120	5%	90	120	---	80	100	---	80	100	---
Tax Accountant	80	120	5%	85	120	-2%	80	95	11%	80	120	---
Financial Analyst	80	110	---	85	95	---	80	105	---	80	100	---
Credit Manager	80	120	5%	75	110	---	80	110	---	80	120	5%
Billings Operations Team Leader	65	80	---	65	75	---	60	70	---	65	90	6%
Accounts Receivable Team Leader	60	75	---	65	75	---	55	60	4%	65	80	7%
Payroll Officer	60	75	4%	50	65	---	50	60	---	65	75	11%
Assistant Accountant	52	65	---	55	65	---	60	70	8%	55	65	3%
Credit Controller	52	62	7%	50	55	5%	55	65	8%	48	60	3%
Payroll Administrator	52	65	6%	45	50	---	50	60	9%	45	55	3%
Accounts Payable	46	60	1%	45	60	5%	45	52	3%	45	55	---
Accounts Receivable	45	55	---	45	58	5%	48	55	3%	45	55	---
Accounts Reconciliation	42	58	---	45	55	---	40	50	---	42	58	---
Accounts Assistant	46	50	6%	45	55	10%	42	47	7%	42	55	5%
Finance Assistant	40	50	---	45	55	---	42	47	7%	45	55	8%



BUSINESS SUPPORT

At Madison, business support describes the market for roles that are primarily administrative in terms of both focus and day to day activities. Business support roles exist within all disciplines and industries in New Zealand.

the year in retrospect

The 2016 business support labour market was characterised by its continuous motion. Unlike previous years and early 2015, there were no lulls in activity. Instead, we saw a rolling rotation of opportunities for job seekers, and candidates available and willing to move roles.

regional trends

Salaries remained fairly stable across the country, with increases seen in the industries and areas where there was significant activity and growth. The huge volume of construction and infrastructure projects in Auckland heavily impacted both demand and salary levels for the business support positions servicing these projects, and we expect to see this pattern continuing well into 2017. Specialised administrative roles saw the biggest increases. For example, the upper salary level for Project Coordinator roles in Auckland jumped up to around the \$80K mark, reflecting the massive increase in both the number of these roles in the market, and demand for skilled, experienced candidates to fill these vacancies.

growth in the SE

The South East region of Auckland grew exponentially last year, with a number of businesses including both large globals and SMEs moving into the area. There are also huge infrastructure and development projects happening in the area; the \$180 million Auckland Airport makeover and Ormiston development to name only two of many. There were some cases of locally-residing candidates being enticed into moving away from city roles to opportunities closer to home. We also saw a number of candidates moving to outer suburbs to take advantage of the interesting roles on offer and more affordable housing combined with salaries at CBD-levels.

front of house rewarded

Across the country we recorded a noteworthy increase in the median salary paid for reception roles. Both starting salaries and high points increased, and in some regions overall increases were as much as 11%. We believe this is a flow on effect from the transformation of the office administrator into THE indispensable business support position. As reported last year, there have been more all-rounder administrative positions created. These multi-faceted roles are very attractive to skilled junior level and graduate candidates who see them as more interesting and more likely to provide career progression opportunities. This has left the more traditional entry point of a reception role without its usual supply of candidates. The end result: more pressure on employers to offer attractive salaries for receptionist positions.

canterbury trends

The office administrator role was also an interesting case in the Canterbury region where for the most part, permanent salaries have remained stable. Quality business support candidates with several years' experience were consistently in demand but as there has been more available talent in the market due to the culmination of several residential earthquake projects, we haven't seen salaries nudged up by supply problems. In contrast, for an Office Administrator position with broad ranging responsibilities, some businesses are paying up to \$60k for experienced candidates and overall salaries for this position are 8% up on 2015/16 levels.

steady growth in waikato

Waikato experienced a different pattern, with about half of business support roles covered in this report showing slight increases in median salaries. Slowly rising dairy prices are positively impacting business confidence in this region where agricultural businesses make up a large part of the industry. There are also substantial amounts of infrastructure work, government programmes and development work occurring. There is a decent supply of talent in Hamilton and surrounding areas, in part due to the ongoing relocation of people motivated by property costs and commuting concerns. These candidates typically have higher expectations for salary which aren't always met by employers. However this push from the market may be contributing to increases for some roles.

candidate expectations

Generally speaking, we found that candidates' salary expectations were realistic, with most demonstrating a good understanding of market value for business support positions. That said, the best talent in this market was adept at challenging limits and securing roles with organisations willing to pay at the higher end of the range. For example in Auckland we had several great Office Administrator candidates holding out for roles closer to that \$60k point and interestingly, they were prepared to wait for these offers. This meant organisations advertising roles in the early \$40k range continually missed out on top quality candidates.

For specialised administrative roles such as Project Coordinators, or experienced Events Coordinators, the story was a little different. Many candidates pushed back on advertised salaries for permanent roles, and challenged established rates for temporary positions or fixed term contracts.

capital trends

The Wellington market reflected the overall patterns of activity, with our office in the Capital recruiting consistently throughout 2016. As a government city and with the election looming in 2017, many programmes of work were heavily resourced in order to meet completion deadlines, and the market was subsequently very busy. Of course, this was curtailed by the November earthquakes. Hiring activity was put on hold while organisations focused on ensuring their premises were safe to resume business as usual. This in turn meant an upturn in activity in January 2017 as our Wellington team worked on vacancies that would normally have been filled prior to Christmas. Unlike in other regions, senior level Personal Assistants and Executive Assistants, even those with a bare minimum of five years' experience were in high demand through the year, and were the candidate group with the least movement from perm to perm role or into temporary employment. Salaries for PAs and EAs in the Capital haven't risen noticeably so far, but it will be interesting to see if there is a future impact.

candidate profiles

Tertiary qualifications or a particular educational background have not been a key factors in hiring decisions for business support roles and this continued to be true in 2016. 'Like' business experience, demonstrable transferable skills and the elusive 'cultural fit' were the main concerns of hiring managers. The exception has been again with the more specialised administrative roles, for example, in the property and construction areas, where relevant qualifications were highly sought after (and well rewarded).

With graduate numbers in New Zealand increasing every year, in fact many of the candidates seeking business support roles do possess tertiary qualifications, though not necessarily in the industry in which they are employed.³ We tend to find that graduate expectations of the longevity of a support role often don't match business expectations, which can be a source of discord. We've seen some organisations combating this by identifying the natural life cycle of support roles, treating them as a pipeline of potential talent to feed back into the business. This is an attractive value proposition and is helpful in attracting quality talent.

future support

This year, it's anticipated that specialist administrative positions in growth industries will continue to be in high demand, and we recommend that organisations recruiting in this space build in a longer lead time if they are able, to allow for in-depth sourcing efforts. At the same time, ensuring the recruitment process is snappy and responsive will help to ensure that the high value candidates don't look elsewhere.

³ More than 41,000 people graduated with a Bachelor's Degree in 2015, an increase of 13% since 2008

BUSINESS SUPPORT SALARIES

2016 -17 range in NZD \$'000s

<i>role</i>	AUCKLAND			WELLINGTON			WAIKATO			CHRISTCHURCH		
	Low	High	% change	Low	High	% change	Low	High	% change	Low	High	% change
Executive Assistant	74	95	1%	60	85	---	60	70	4%	68	90	3%
Personal Assistant	60	76	4%	50	80	---	55	65	8%	50	70	4%
Office Manager	52	75	2%	55	75	---	60	70	12%	58	75	4%
Project Coordinator	55	80	10%	60	75	7%	50	60	2%	55	72	---
Events Coordinator	48	70	9%	45	50	---	50	55	5%	50	60	---
Facilities Coordinator	49	65	---	46	60	---	50	60	3%	45	60	---
Sales Support	46	65	3%	45	55	---	45	50	---	45	55	---
Team Administrator	48	68	---	48	60	2%	45	55	---	48	62	---
Office Administrator	44	60	5%	42	55	---	42	45	---	42	60	8%
Corporate Receptionist	46	55	2%	40	50	---	45	50	2%	42	50	2%
Receptionist	42	50	11%	40	55	5%	38	40	1%	37	47	4%
Office Junior/Assistant	35	45	3%	36	45	---	35	38	---	37	43	3%
Data Entry / Database Admin	38	46	2%	38	45	4%	35	40	3%	37	43	3%



CONTACT CENTRE

the year in retrospect

As the front-line, outward face of many New Zealand businesses, the contact centre is a useful barometer of the country's economic strength. In 2016, buoyed by business confidence we saw a busy contact centre recruitment space. There was growth and movement at a steady pace, particularly in the Auckland region. Organisations recognising customer service as an essential competitive differentiator, invested in new processes and technologies to enhance the customer service functions within their businesses. At the same time customers were more savvy than ever, with high expectations of the customer experience. The average Customer Service Representative (CSR) needed to be highly knowledgeable, agile and adept.

temp staffing: still popular

Auckland's large number of infrastructure improvement projects had an impact on the labour market. There was an estimated 15% more temporary Customer Service roles available as government and private organisations ramped up their capacity to successfully manage increasing numbers of customer queries. We expect to see this work continue throughout 2017. The latter part of the year was particularly busy in the South East of the city, where there was increased demand for the full suite of contact centre roles. Customer-service focused initiatives rolled out by client organisations fuelled this demand. Businesses resourced initiatives with a project management approach, and therefore most of this demand was for temporary employees, though we expect to see permanent headcount increases into 2017 due to general business growth.

wellington

The labour market in Wellington was a little different, with a strong start to 2016 but then a slowdown in April. Mid-year there was a boost in market confidence and lots more movement, with the market being fairly candidate short at that time. This was put to a halt by the November earthquake which naturally had a massive impact, stopping permanent and temporary recruitment. Larger organisations depended more heavily on second contact centre sites outside of Wellington.

Post-earthquake, there was an increase in temporary recruitment to assist organisations who were trying to catch up. In fact, overall there was a notable preference for temporary solutions which provided companies with flexibility and speed to hire. There was also a growth in fixed term contracts as businesses sought to resource projects and accommodate desirable, quality candidates on working visas.

waikato growth

While high levels of temporary recruitment were definitely a theme in Auckland and Wellington, this was not the case in the Waikato region, where we saw very limited temp numbers but steady permanent recruitment. Many businesses are expanding or entering in the region with a resultant increase in demand for customer service staff. We also saw many businesses upgrading or changing systems, with existing staff deployed to assist with implementations and vacancies backfilled via frequent intakes of permanent contact centre employees.

Across regions, with businesses focused on growth, some interesting patterns in the type of contact centre roles emerged. There were high numbers of Outbound Sales positions filled, and there were approximately 10% more Team Leader vacancies compared with previous years.

salaries: stable

Overall industry salary levels across New Zealand were consistent with 2015/16 figures. Generally any increases were seen in either leadership positions, or in the more sales-focused roles. In the Auckland region, Contact Centre Managers and Team Leaders saw slight increases of 4% and 2% respectively. We occasionally saw salaries of upwards of \$180k for senior leadership positions but these were outliers rather than the norm. Waikato too saw similar increases with Team Leader positions enjoying an 8% increase and Telephone Account Manager positions rising by 9%. In Wellington, there were slight increases in the median salary ranges for Outbound CSRs (2%) and Collections Agents (3%), recognising the strong negotiation skills and more challenging nature of these roles. Christchurch contact centres echoed these patterns, with the biggest salary increase (8%) shown for Outbound CSR positions.

expectations

Remuneration is a big consideration for candidates in this industry and every dollar counts. While candidate salary expectations have not been unrealistic, we found that even the inexperienced applicants for standard Inbound Customer Service Roles were requesting starting salaries at around the median level (in Auckland that's about \$45k). The cost of living and property prices in our biggest city are of course a factor.

Contact centre leadership positions are evolving and become more complex. We now see these roles involved in multi-site management and change management for example, and astute candidates, fully aware of these added responsibilities, are challenging salary bands and asking for figures upwards of \$150k.

beyond the money

Aside from the dollars on offer, the talented candidates in this industry have their eye on the big picture and are looking to work for organisations who offer supportive training, professional development and clear evidence of career progression. Millennials are definitely hunting for the cool factor, looking for employment brands and value-based workplaces that offer something edgy or different. Great candidates do get multiple offers so it's important for employers to outline their value propositions beyond the starting salary.

future-proofing

With tertiary education providers increasing their offerings within the contact centre/customer service space we anticipate seeing candidates with qualifications but without an employment history in this field entering the market. There are opportunities here for employers to absorb some great talent into the business as long as they are prepared to map out a short life-cycle for these fast-moving candidates.

We're starting to see an increase in home-based roles which is a welcome and highly desirable addition to the market. Through offering more flexible roles, businesses are able to tap into an experienced and underutilised candidate market who otherwise may not consider contact centre employment. We expect and hope to see more Web Chat Agents and other part time/work-from-home positions evolve in the next year and beyond.

CONTACT CENTRE SALARIES

2016 -17 range in NZD \$'000s

<i>role</i>	AUCKLAND			WELLINGTON			WAIKATO			CHRISTCHURCH		
	Low	High	% change	Low	High	% change	Low	High	% change	Low	High	% change
Contact Centre Manager	80	150	4%	90	150	---	65	80	3%	70	110	6%
Contact Centre Team Leader	52	75	2%	65	85	---	60	70	8%	50	70	---
Contact Centre Trainer	52	75	2%	65	85	---	50	60	---	50	70	---
Telephone Account Manager	46	52	2%	48	55	---	45	50	9%	42	52	2%
Retention Representative	45	50	---	40	45	---	40	45	---	42	52	4%
Claims Advisor *	42	55	---	38	45	---	38	45	---	40	45	---
Collections Officer – Inbound/Outbound	40	60	5%	38	55	3%	43	50	---	40	52	2%
Inbound Customer Service Representative	40	52	---	40	50	2%	38	45	---	38	45	---
Outbound Customer Service Representative	40	51	1%	40	50	2%	40	45	2%	40	50	8%
Home Based Agent *	35	42	---	35	42	---	35	40	---	35	40	---
Telesales/Telemarketer	40	48	2%	38	45	---	38	45	---	38	46	---

*This role was added to the report this year due to a significant increase in volume of vacancies and recruitment activity.

Customers' preferred contact method



■ Current preference
■ Our predictions

Source: *Customerthink.com, Top 5 Contact Centre Trends for 2017*

HUMAN RESOURCES

the year in retrospect

It was a year of solid activity for the human resources employment market. Across New Zealand, there was a consistent demand for all types and levels of roles, matched with a supply of decent candidates resulting in steady movement. In the Auckland region, the large volume of property and infrastructure projects resulted in a higher demand for junior to mid-level positions, such as HR Coordinators, Advisors and Administrators, and Internal Recruitment Consultants. These supporting positions enabled organisations experiencing rapid expansion to more quickly ramp up core business activities.

steady in waikato

In the Waikato region, growth in local business and economic confidence also meant steady recruitment, and while these were typically more generalist HR roles at the junior to mid-level, there have been more examples of senior and specialist positions evident as the market expands. As a positive sign of employment activity in the region, job adverts for HR and recruitment grew by 21% compared to the same time last year.⁴

capital growth

It was also a positive year for HR and recruitment in the Capital, with ongoing government programmes of work requiring resourcing, locally-based private businesses performing well and lots of great candidates in the market. We did see a number of qualified and talented candidates who had relocated from Auckland, motivated by the strong local economy and more affordable housing. Generalist HR positions and project coordination roles were in demand, but interestingly there were less data analyst-focused roles due to an influx of skilled candidates in this specialist corner of the HR market.

salaries remain stable

In all regions, salaries remained at very similar levels to 2015. Pockets of higher demand in some areas resulted in slight increases, for example, the median salary for HR Coordinators in Auckland rose by 5% and Learning and Development Coordinators had a 6% rise. Occupational Health and Safety Manager salaries also rose (7%). This area is an interesting example of a spike in demand and activity which has since tapered off. The industry was buzzing in the lead up to and immediately following the Health and Work Act 2015 which came into effect in April 2016. There was an explosion in demand for experienced professionals in this field as organisations scrambled to ensure they were aligned to the new legislation. It appears they were successful in meeting their needs in this space, as by mid-2016 demand had retracted to normal activity levels.

learning & development gains

In contrast, learning and development is a growth area that is predicted to continue throughout 2017 and beyond as businesses focus on engagement, development and retention of employees. The number of roles with some kind of learning and development slant has increased, with the breadth of positions within this discipline growing correspondingly. Job titles to look out for include: Learning and Development Advisors, Consultants and Instructional Designers. Although this is an attractive field for millennial HR professionals, demand for individuals with substantial experience in these roles is high and not expected to be matched by the local supply market.

⁴ SEEK Employment Trends: Spotlight on Waikato, Nov 16

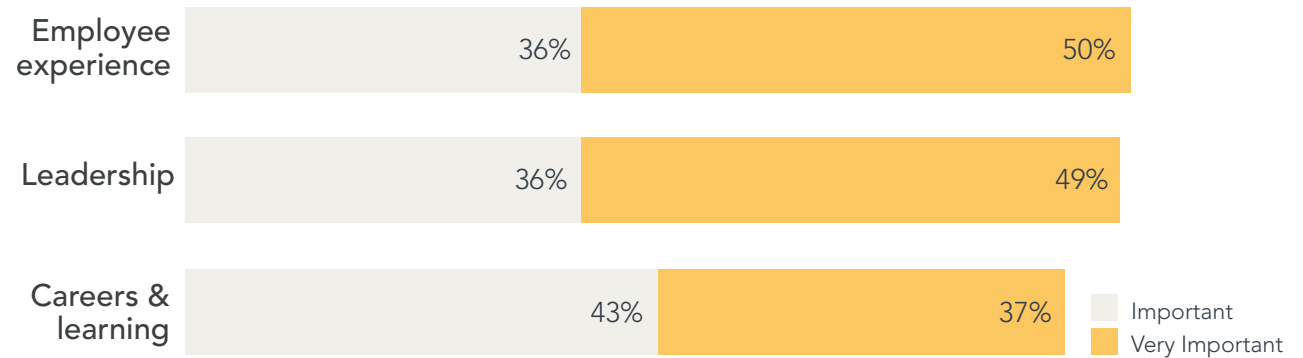
candidate expectations

Candidates always have a shopping list when it comes to requirements for taking on a new role and traditionally these have been centred on the role title (ensuring visible hierarchy) salary and benefits. In 2016, there was a conspicuous change. We found that candidates' salary expectations matched market rates, and the money on offer while important, was not the deciding factor when considering opportunities. After all, HR candidates know better than anyone what's possible for a business to offer in addition to a competitive salary. The 'list' for talented HR candidates in NZ today includes: flexible working locations (being able to work remotely), flexible working hours, tools of the trade included or allowances for bring your own device (BYOD), companies with flat management structures, and an attractive physical office environment. In 2016 we saw accomplished HR candidates assessing target organisations for what they were trying to achieve in the HR space and pursuing opportunities with businesses where the HR function is a business priority and is represented at the senior leadership level.

tenure & movement

As with other professional service industries, the tenure of HR professionals is decreasing. For the remainder of this year and into 2018 we expect to see plenty of movement as successful HR practitioners with tenure of two to three years seek new opportunities. With an expected 300 students graduating with a Bachelor of Human Resources each year there should be plenty of new blood entering the market, available for entry level roles. With the rise of the popular HR partnering model, there will be an increase in HR Advisor and Business Partner roles. Continued construction and infrastructure projects in Auckland should lead to more project-focused positions and an increase in fixed-term contract roles.

2017 HR capital trends by importance



Source: 2017 Deloitte Global Human Capital Trends

The graph shown above is an extract from the 2017 Deloitte Global Human Capital Trends report. This report is a result of a survey of more than 10,000 business and HR leaders from 140 countries; the data included above are the top three human capital trends and focus areas identified for New Zealand. As can be seen, careers and learning sits in third place (out of 11 factors), for 2017

HUMAN RESOURCES SALARIES

2016 -17 range in NZD \$'000s

<i>role</i>	AUCKLAND			WELLINGTON			WAIKATO			CHRISTCHURCH		
	Low	High	% change	Low	High	% change	Low	High	% change	Low	High	% change
Human Resources Director	160	250	---	160	200	---	120	160	---	120	180	---
Change Manager	120	160	---	120	150	---	110	140	---	150	200	---
Human Resources Manager	100	160	--	100	150	---	90	115	---	100	160	---
OH&S Manager	110	160	7%	95	115	2%	90	120	---	80	100	---
Remuneration Specialist	90	130	---	100	120	---	80	110	---	80	100	---
Training Manager	95	120	2%	90	120	---	80	100	---	80	120	---
Internal Recruitment Manager	90	120	---	90	120	---	80	100	---	85	120	---
Learning & Development Manager	90	120	---	85	110	---	75	100	---	80	120	---
Human Resources Business Partner	90	120	2%	90	110	---	75	90	---	80	120	---
Internal Recruitment Advisor	70	95	---	70	90	---	75	85	---	60	80	---
Human Resources Advisor	70	90	---	68	85	2%	60	80	---	70	85	---
Internal Recruitment Consultant	60	75	---	55	75	---	60	70	---	55	70	---
OH&S Assistant	52	68	4%	50	55	---	50	55	5%	48	60	---
Recruitment Coordinator	55	65	3%	50	55	10%	45	55	---	48	60	---
Human Resources Coordinator	50	58	5%	50	55	---	50	65	---	48	60	---
Learning & Development Coordinator	48	60	6%	48	55	2%	45	50	---	46	55	---
Human Resources Assistant	44	55	3%	45	50	3%	40	45	2%	44	55	3%



Madison's Industrial team recruits across a number of broad categories; manufacturing, freight and logistics, infrastructure and the blue collar service sector. The commentary included here relates to the Auckland market only unless otherwise stated, as the bulk of our industrial recruitment activity is focused in this region.

the year in retrospect

The property and construction boom-related labour supply challenges that were experienced across all sectors have been felt acutely in the Auckland industrial employment market over the past year. 2016 was a year of constant recruitment activity, but overall movement was hindered by a lack of skilled talent to satisfy business needs. We saw the beginnings of a serious skills gap that is expected to be present throughout the year.

demand hotspots

The amount of freight carried on New Zealand roads has increased steadily over the last 15 years but the number of qualified drivers has decreased. Suitably experienced Truck Drivers with heavy vehicle licenses for classes 2 through 5 were consistently absorbed across multiple sectors and in 2016 they remained in high demand as they have done for a number of years. Salaries have increased, with a 23% rise since last year. However with the median salary sitting at \$52k, the role still pays at a relatively low rate for regional averages and considering the cost of living. Exacerbated by a lack of younger people entering the industry, and without an easy pathway to bringing in overseas candidates, this is a problem that we don't expect to see solved in the near future.

The Machine Operator role is another position that was in high demand last year. MBIE's Labour Market Trends report in January 2017 showed that job vacancy advertisements for machine operators had one of the largest monthly increases, and is therefore predicted to be in demand for 2017/18 also. Rates have been driven up, with salary high points sitting at around \$62k.

growing gardening

Increases in salaries were seen for Commercial (17%) and Landscape Gardeners (12%), where candidates holding approved handler certification and with demonstrable experience are rare and demand has been fairly high. In part, this friction has been addressed by a significant uplift in the number of experienced backpackers filling temporary gardening roles for periods of three to six months; feedback on these backpackers has been consistently positive.

managing shortages

Some organisations are attempting to halt attrition of in-demand role categories by counter offering. It remains a moot point as to whether this offers a long term benefit as a new job title or pay rise doesn't necessarily address fundamental reasons for an employee job seeking elsewhere. Regardless, there is evidence that counter offering is happening across industries and across all salary levels. We have been subject to a number of counter offers from current employers or candidates securing multiple offers. A recent example was with a talented Madison candidate who had been earning \$65k in the warehousing and logistics sector. We made an offer for a supervisory position at close to \$80k, then a previous employer stepped in and offered a more senior role with salary of \$100k. It's an ongoing issue with Commercial Driver and Machine Operator roles where the situation has been critical for some time and where employers are increasingly receptive to paying higher pay rates to secure talent.

At the lower paid end of the labour market, we've also seen lots of movement but in the form of continuing transience between roles as individuals attempt to drive up their pay rates to keep pace with the increasing cost of living in Auckland.

employability issues

An ongoing challenge for those recruiting in this industry is the impact of pre-employment checks. Drug testing is a barrier to entry for many into this employment market. Ministry of Justice criminal history reporting stops those with reported offences, where the tolerance of the prospective employer is the determining factor to an individual securing work. Frustratingly, high numbers of job seekers continue to preclude themselves from many opportunities due to a lack of suitable driver's license. A full license is increasingly a mandatory requirement, seen as an essential pre-requisite to getting to work on time.

overseas talent

It continues to be the case that job advertisements in this area attract very high numbers of applicants from overseas from candidates both eligible and ineligible to work here. It will be interesting to see which new roles will be included on the annual skills shortage list update, allowing more easy access into the overseas market. For UK applicants, the post-Brexit low valuation of the pound is making it difficult for UK based workers to relocate here. The strength of the NZ dollar is a significant inhibitor of affordability into the housing market, coupled with a perception that pay rates in NZ are believed to be lower than in the UK.

Without residency issues are of course Australian candidates, and New Zealanders residing in Australia. Anecdotally we believe there are high numbers of Kiwis returning home, following a labour market tightening across many blue collar sectors in Australia. However, adapting from Australian pay rates to NZ pay rates involves a significant re-evaluation of salary expectations, in particular with higher skilled engineers or machine operators. These candidates have to adjust from significant six figure salaries in Australia, to much lower pay rates for equivalent roles in NZ.

on offer beyond dollars

This sector is one where some roles enjoyed significant increases in salaries over the past year. However it could be argued that factoring in increases in property and rent costs, transport and utilities, salaries in Auckland are still not keeping pace with the cost of living. This is most apparent at the lower paid end of the market.

It's expected that in 2017 and into 2018, skilled quality candidates' salary expectations will be at the very top of reported ranges, if not higher. If possible, we recommend benchmarking salary ranges to establish a realistic band. If there are other benefits on offer such as security, and progression opportunities, then take every opportunity to highlight these.

INDUSTRIAL SALARIES

2016 -17 range in NZD \$'000s

<i>role</i>	AUCKLAND		
	Low	High	% change
Operations Manager	75	100	---
Instrumentation Technician	80	95	---
Warehouse Manager	60	100	13%
Branch Manager	60	90	---
Industrial Electrician	60	80	---
Mechanical Fitter	60	80	---
Inventory Controller	55	80	---
Team Leader / Operations Supervisor	55	79	18%
Mechanical Serviceperson	54	65	---
Landscape Gardener	42	65	12%
Machine operator	42	62	12%
Class 2 - 5 Driver	39	65	23%
Commercial Gardener	36	52	17%
Reinstatement Serviceperson	42	45	---
Forkhoist Operator	35	50	18%
Serviceperson	39	45	4%
Ride on Mower Operator	37	46	---
General Storeperson (including Pick Packers & Devanners)	32	40	1%
Orderlies (Health)	32	39	7%
Runners / Refuse Collection	32	37	10%
Cleaner (commercial)	32	37	6%
Outdoor Labourer	33	36	---
Litter Picker	33	35	3%

At this stage, sufficient volumes of valid data were not available for regions outside Auckland and therefore salary ranges for other cities and areas have not been included in this table.



INFORMATION TECHNOLOGY

the year in retrospect

2016 saw market confidence at very high levels in the information and communication technology space. New Zealand's general economic outlook is positive with 3.5% growth predicted but growth in IT has comfortably outstripped the average. One of the larger subsets of software solutions for instance, grew by 16% last year and IT service and support by 11% and this growth is predicted to continue.⁵ Technological advances have meant that New Zealand companies can reach a global audience and scale their organisations accordingly. There are also local and foreign investors looking to provide funds and New Zealand is generally regarded as a country that is easy to do business in. The end result: a busy year of recruitment activity.

hiring trends

Over the past year, much of the hiring activity has tended to be at the opposite ends of the spectrum. At the higher end in the Auckland region, the roles with the most consistent movement were Consultants in the Business Intelligence, Human Capital Management, Finance and Agile Coaching space. These roles all commanded salaries of \$130k or more. There was also a lot of activity for roles such as Data and Software Solution Architects where salaries sit in the \$130 to \$180k range. Project Managers were in demand circa the \$150k mark and middle management, development or infrastructure Team Leads averaged around \$140k, with UI and UX roles at similar levels. Another area with significant movement at the senior end has been for Software Sales roles. As a great indicator of market confidence, salaries were robust and we've seen roles with on target earnings of up to \$170k.

⁵ TIN100 Report 2016, www.tin100.com

big impact growth

Making a significant impact in the market has been the DevOps area. In the past this role was undertaken by generalist engineers who developed and honed their skills on the job to be successful. Now this space has matured and become a specialised area. Experienced candidates possessing expert knowledge in automation were highly sought after, as the ability to streamline software delivery in both the enterprise environment and software product team was hugely in demand. Here we've seen the biggest year on year increase in any sector, with starting salaries jumping to around the \$110k mark and high points at around \$140k.

capital climate

The market was increasingly candidate-short in our Capital, but particularly in the areas of business analysis and throughout the development space. Core skills in JavaScript, PHP and .NET were widely sought after, with a lack of candidates available for junior right through to senior Developer vacancies. Banking and government departments have been increasing investment into the digital space, therefore developers with cross-platform and hybrid development skills using modern javascript frameworks such as Angular JS and React were in demand.

starting positions

At the opposite end of the market was an unceasing requirement for 1st and 2nd level Systems Support Engineers. Organisations were predominantly on the lookout for Microsoft skills, but there were also significant numbers of Linux requirements. Salaries remained low. Immigration is certainly a factor as these roles tended to be filled by those looking for their first full-time role after completing studies in NZ. This keeps salary expectations in the \$50 to \$60k range. Graduate level remains around the \$45K position; here there has not been any change for a number of years.

mid level action

During 2016 there was less activity and recruitment pressure in the intermediate space where roles sit between \$80 and \$100k. We're just beginning to see a change. Following investment at the enterprise level and with sales of both traditional software products and SaaS coming to fruition, our clients are now enjoying a fuller pipeline of work. Principal and senior level roles which were the prior focus of recruitment activities are now in place. This makes 2017 the time to hire more resources at the mid level to keep pace with business growth.

rise of the cdo

In the last few years, we've seen traditional 'big' players begin to see their market share usurped by leaner, faster and more innovative competitors. However some larger organisations have been surprisingly quick to compete; adopting a bimodal approach to development, allowing for agile teams, rapidly developed new products and swift introduction to market. We've seen this primarily in organisations where the shift has been made away from the CIO/CTO model. With a Chief Digital Officer (CDO) leading technology, IT has come to forefront of the business rather than acting as a service division.

technology focus

This shift in focus has also led to a growth in architecture positions, required to ensure new development is both integrated into existing systems and supportable throughout its lifecycle. Hence also the growth in the DevOps space. Building, testing and releasing new software rapidly and reliably has become hugely important. CDOs are often advocates for the use of data analytics which is growing in sophistication with emphasis on visual presentation. Business Intelligence (BI) is both a key to business growth, and a growing area of many businesses.

employment types

In 2016, businesses continued to use a mixture of contract and permanent staff. The deciding factor was usually whether the work was business-as-usual or project based and whether the skills were held in house (or not). The choice for clients was often whether to resource a project with contractors through Madison, or to buy in expertise from an IT consultancy. These two different business models of course have considerable cost differences. If a business has the capacity to manage and ensure QA of contractors' work then they can expect savings of up to 30% by hiring a senior resource through Madison.

candidate motivations

Overwhelmingly, candidates moved for career progression. This took the form of seeking to hone or diversify skills, or wanting to move higher up the ladder to gain more responsibility, or into a management position. We had the pleasure of dealing with many talented applicants who were technologists excited by the advances in the tools, processes and applications of modern technology.

Equal second in terms of priorities reported by job seekers were the team environment and the company's employment brand. We always work very hard to understand what a client has to offer, and correlate that to what a candidate is looking for. As candidates with the right credentials often had many choices in 2016 and this is expected to continue into 2017/18, it's important for businesses to identify their unique culture and employment offering and then communicate this to recruitment partners in order to appeal to target candidates' requirements.

migration & overseas candidates

Over the last year, IT candidates continued to relocate to New Zealand from overseas at a steady rate. For many reasons they faced a catch22 situation; they weren't considered for vacancies because they do not have 'kiwi experience'. Given current skills shortage levels, for the coming year it's imperative to look beyond our local talent to fill vacancies.

Migration was a factor in keeping salaries in check. There are very good people in the market with reasonable salary expectations that will add value if their skills and motivations are carefully aligned.

salary trends

As mentioned, salaries have increased for a range of positions particularly in the senior technical space where \$150k has become something of a benchmark. Pressure this year will come in the intermediate range as good people will be at a premium.

The market is buoyant and talented candidates will have multiple opportunities, we expect to be candidate short, we therefore expect salaries may continue to nudge upwards.

INFORMATION TECHNOLOGY SALARIES

2016 -17 range in NZD \$'000s

<i>role</i>	AUCKLAND			WELLINGTON		
	Low	High	% change	Low	High	% change
CDO/CIO/CTO	150	400	18%	150	400	9%
Enterprise Architect	160	180	3%	130	180	6%
Architect (Infrastructure / Software)	130	180	10%	100	180	11%
Software Development Manager	140	180	16%	90	160	8%
Agile Lead / Scrum Master	120	150	6%	100	130	---
BI Manager	130	180	13%	100	180	7%
ERP Technical Consultant	110	160	7%	100	130	---
Security Engineer / Consultant	100	180	---	95	170	8%
UX/ UI Designer	100	140	---	60	110	---
BI Consultant	100	140	---	85	130	---
Service Delivery Manager	100	130	---	110	140	---
ERP Functional Consultant	100	160	12%	80	130	5%
Programme/Project Manager	90	160	8%	70	150	5%
Testing & QA Manager	100	150	8%	85	130	5%
Dev Ops Engineer	110	140	12%	75	120	3%
Pre Sales/Solution Sales	90 ^{+OTE}	120 ^{+OTE}	---	80	120	10%
Data/Predictive Analyst	90	130	5%	80	110	---
Mobile Developer	80	120	---	60	120	11%

<i>role continued.</i>	AUCKLAND			WELLINGTON		
	Low	High	% change	Low	High	% change
Software Engineer	80	120	---	60	110	---
Business / Systems Analyst	80	120	---	60	120	---
DBA	80	110	---	85	120	---
Network Engineer	80	120	5%	60	110	---
ERP Application Support Analyst	80	110	5%	70	100	---
Front End Software Developer	75	130	---	50	100	---
Systems / Server Engineer	70	110	---	65	100	---
Application Support Analyst	70	90	6%	60	80	---
Business Development Manager *	90 ^{+OTE}	140 ^{+OTE}	11%	70 ^{+OTE}	120 ^{+OTE}	11%
Testing and QA	65	120	5%	50	90	---
Project Admin / Coordinator	65	90	---	45	80	---
Full Stack Developer	60	120	---	50	110	---
Helpdesk / Desktop Support	45	60	---	35	70	---

*These figures are for base salary only. Total remuneration for business development managers would also include on-target-earnings which can vary greatly.

PROPERTY & CONSTRUCTION

new kid on the block

With construction-related investment growing to 13% of New Zealand's GDP in 2016, it's become impossible to ignore the sector's subsequent burgeoning recruitment needs. Throughout the year, hiring managers found it progressively challenging to source talent due to an unceasing requirement for skilled industry professionals, from all corners. This has led to construction and property-related roles becoming a substantial proportion of Madison's recruitment activity and a focus for our business. Hence also the sector is a new addition into this year's employment market report.

a candidate's market

The trajectory of New Zealand's population growth and net migration growth is not abating. With it comes ongoing, high demand for residential construction, along with high levels of non-residential construction in the forms of infrastructure development, as well as office and retail developments. Construction is now our fifth largest employment sector and including related industries, accounts for 10% of total NZ employment. The marked skill shortages within the construction sector are well acknowledged. Whilst the roles Madison recruits are at senior and skilled level, through our sister company AWF, NZ's largest labour hire specialist, we have ample evidence that the shortage extends to all levels, from Trades Persons to Semi-Skilled Workers and General Labourers.

The NZ construction sector has been, and will continue to be a candidate's market for the medium term. Salary levels reflect this as employers scabble to entice talent into their vacant roles. There has never been a better time to carve out a career pathway and improve remuneration prospects. Maintaining the momentum will be easier for those able and willing to follow the work from city to city, if the experience in the Canterbury region is anything to go by.

canterbury

Our Christchurch team noted a return to business as usual following post-earthquake demand. Whilst both residential and commercial construction was strong, the residential rebuild is now past its peak. Development of subdivisions and new city apartment blocks will keep hiring activity relatively high in the coming year. Construction related manufacturing companies have had flow-on demand as a result of the country's construction activity and will also add to our recruiters' workload.

There is currently an oversupply of experienced Project Management candidates who, after running an earthquake PMO (project management office) have finished on salaries that are no longer being matched in the Canterbury region. Some salaries were as high as 30% above usual market rates. The weaker job prospects in Canterbury will be offset by huge demand in other parts of the country. Opportunities that have arisen from the recent Kaikoura earthquake will be attractive to these candidates, though we expect that the forecast activity in the Waikato and Auckland regions will also provide options.

eyes on waikato & bop

The rate of growth the construction sector is experiencing is the highest the country has seen in 40 years. To put that into context, the National Construction Pipeline Report tells us that the forecast peak of construction value in 2017 of \$37b is 28% higher than the previous peak ten years ago in 2007. When we look at the regions that are driving the peak, there are two leading the pack—Auckland, whose construction value is projected to peak in 2018 at \$16.8b and the Waikato and Bay of Plenty region, predicted to have a busy 2017 with this year peaking at \$6.1b. Wellington was originally forecast to have modest activity however two factors, the Kaikoura earthquake and the emerging pressures on the Capital's housing market, will drive increased activity.

skills needed

The construction sector on the whole has a lower percentage of people with qualifications compared to the NZ average however it is interesting to note that the number of people with a Bachelor or higher degree has been on the rise. A PWC report points out that "between the 2006 and 2013 census years, the number of workers in construction with a Bachelor or higher degree grew by 49%". This shift is not only driven by general demand but is also a reflection on the impact that innovation is playing within the sector. MBIE forecasts an additional 2,282 jobs for higher skilled roles will be needed between 2015 and 2021.

As the sector waits for the availability of qualified candidates, we note that employers have been more flexible in the requirement for qualifications. This is most noticeable in the hiring activity of Estimators and Quantity Surveyors (QS), where in Auckland there is a large crossover in salaries. It is common now for recruitment briefs to describe Estimators with QS competencies.

Auckland's huge construction value will of course mean that the city will have the greatest requirements for workers. MBIE expects employment levels to grow by 21% between 2015 and 2021. Project Managers and Quantity Surveyors were in high demand in 2016 and talented candidates with the right experience commanded salaries circa \$120-\$130k. Residential building experience, especially those adept in apartment and terraced housing will be most sought after as multi-unit dwelling contents tracks to overtake detached dwellings in the next five years.

Waikato, with its peak of activity this year, will also drive movement. SEEK reports that the region's job ads have even been beating out its traditionally agricultural driven employment needs. The Waikato population is expected to increase by 40% between 2013 and 2063 and we've already seen a 24% growth in residential building value in 2015. To meet population growth there will be a boost in infrastructure spend in the long run, however in the short term we expect moderate demand for skilled candidates.

the future?

The lack of labour and skills shortages has a massive impact on business productivity, and at a macro level on New Zealand's GDP. We've seen some interesting initiatives designed to combat these chronic shortages, for example the #BuildAKL competition where competing construction employers and the public sector joined forces in the interest of increasing the long term supply of labour. However these initiatives will take time to bear fruit. For the remainder of this year and into 2018 we expect that employers, mostly larger companies, will continue to try to attract skilled migrants from overseas, while stop-gapping with short term overseas workers.

Much of our own activity will continue the focus on attracting talent from across the Tasman where due to a weaker economy, employment opportunities are not so bountiful. We also recommend targeting candidates for inter-city migration to address major shortages. It's inevitable that salary bands will be stretched and it will be interesting to look back next year and review the heights reached for experienced Senior Programme and Project Management positions.

PROPERTY & CONSTRUCTION SALARIES

2016 -17 range in NZD \$'000s

<i>role</i>	AUCKLAND		WELLINGTON		WAIKATO		CHRISTCHURCH	
	Low	High	Low	High	Low	High	Low	High
Programme Manager	120	200	105	195	100	150	120	190
Project Manager	90	130	75	110	60	100	85	145
Property Asset Manager	80	130	60	105	65	95	85	125
Property Manager	65	120	55	110	50	100	50	110
Facilities Manager	70	100	60	90	62	85	60	95
Quantity Surveyor	60	120	60	110	60	105	80	130
Estimator	55	95	50	70	50	65	60	95
Project Coordinator	60	80	55	75	50	62	54	78

A note on salary trends: as a new addition to the report, historical salary data is not held for property and construction industry roles listed. Therefore it's not possible to include year on year percentage change trends in median salaries at this point. Anecdotal evidence and high levels of market activity suggest that 2016 did see increases in salaries.



SALES & MARKETING

the year in retrospect

The sales and marketing sectors are changing rapidly. Today's digitally driven consumer behaviour has well and truly impacted the sales cycle, which in 2016 has meant a decrease in demand for traditional, permanent sales executive roles. At the same time, increasing requirements for specialist digital marketing skill sets drove recruitment activity upwards. There was a slight drop in demand for supporting sales roles, while the increasing need for reporting and analytical skills saw some talent move from accounting and finance into sales and customer insights. The sector can be characterised as a mixed bag of activity; peaks in some areas and troughs in others, little movement in salary overall but a few notable exceptions.

the bigger picture

Technology implementation seemed to be the strategic driver of 2016 with several organisations undertaking major systems overhauls, putting their faith into efficiency gains and innovation to impact the bottom line, rather than investing into their physical sales force. A thirst for information, advice and reviews put buyers firmly in the driver's seat. As more businesses paid attention to online buying behaviour, investment was diverted to digital brand awareness and lead nurturing. This shift of focus to the earlier stages of the sales cycle left sales professionals with the more complex task of demonstrating value to a more educated buyer. Those who were digitally savvy, with strong social networks and who could demonstrate competence in online engagement, became highly sought after.

Sales Manager roles in the Auckland region saw an increase in median salary of 11% which we estimate was predominantly distributed in roles with a technology focus. In other regional areas the Sales Manager role has not seen the same increases.

sales by region

In Auckland, we noted a significant preference for internal promotions within sales functions rather than buying in external talent. Existing product knowledge and established culture fit reigned supreme. This is predicted to have had an impact in the form of increases in median base salaries for Account Management (11%) and Customer Relationship Management (15%) positions. Our Waikato team continued to see the return of expats as well as internal migration from other cities. These candidates had high salary expectations however the lacklustre demand for sales talent in the region meant expectations were not met. Those who were at ease with a lower base and a higher commission component were more in luck. Interestingly, sales was one of the few sectors in the growing Waikato market where median salaries did not increase.

In Wellington, sales recruitment experienced slow movement with hiring decisions pushed out longer than usual. It was a client-led market with an increased availability of sales candidates driven in part by role restructuring (to cover larger sales territories). In Christchurch, we saw the highest demand at the junior to mid-level sales end of the market with a 6% increase in median base salary for Business Development, Key Account and Customer Relationship Managers.

pressure in the marketing sector

Marketing budgets continued to be spread thinly across fragmented channels with the need for a constant stream of smaller, targeted campaigns. The pressure on decision makers to get better bang for buck led to a preference for bringing talent in-house, and marketing leaders chose commoditised services in order to pick and mix only what they required to supplement in-house capability.

In the Auckland market, talented and multi-skilled marketing candidates consciously avoided roles that appeared more traditional in activity, and actively sought companies who demonstrated a progressive marketing mix. In light of this, some organisations were forced to re-scope position requirements for the Marketing Manager position to accommodate less experienced candidates. This led to a slight decrease in the median salary of -4% resulting from a lower starting salary point for this generalist role. This impact was not repeated in other regions where smaller marketing sectors don't allow for as many specialist positions.

supply issues

In general, as the job market continued to work in favour of marketing candidates, employers were faced with compromising on their 'ideal' candidate profile. For instance, in 2016 we noted that employers were more open to moulding graduates and new talent for their business, rather than waiting to secure experienced marketers. Since tertiary institutes have only recently begun to incorporate modern marketing into degree curricula, in some respects it has created a more level playing field between recent graduates and those who gained their degree years ago.

We've seen the impact of a candidate driven market particularly in the Wellington region, which is where the most significant rises in salaries occurred last year. Communications Directors' median salary increased by 13% and Events Coordinators enjoyed a 9% increase. Christchurch and Waikato salaries remained remarkably consistent with last year's figures.

hiring trends for marketing

As predicted, in 2016 the demand for specialised digital skill sets did not abate and was propelled by long term contract opportunities. This has been the stopgap solution for permanent roles that remained vacant due to a scarcity of digital marketing capability, as well as project-based demand from companies who sought to run more of their own campaigns in-house. Most commonly requested skills were analytics and content marketing, while we saw a drop in demand for mid-level Communications Specialists. There is some anecdotal evidence that suggests the communications skill set is being sought as part and parcel of digital and content marketing expertise. Now we're seeing hiring managers asking for marketers who are unfazed by the ambiguity of new and evolving marketing activity, have an aptitude for fast paced learning, and can identify opportunities to keep ahead of the game as the marketing landscape constantly changes.

looking ahead

With another increase in the minimum wage this year coupled with high consumer confidence we expect to see more job movement and salary growth in sales and marketing roles than last year. With the NZD still tracking strongly and keeping the prices of goods and retailers' profitability in check, we anticipate this growth will be driven by services firms.

McKinsey reports that B2B companies have much catching up to do in digital capability and data driven insights.⁶ B2C companies have been able to capitalise faster on automating and optimising the buying journey, however digital transformation undertaken by B2B companies has predominantly been applied to internal processes. Consequently, we predict that B2B companies will be under increased pressure to fill their digital gap and will lead to a specific demand for B2B Marketers with a well-rounded skill set in order to bring digital transformation to the customer journey.

As an increasing proportion of the sales and marketing workforce are Millennials, we will see more employers investing in retention strategies in an effort to lengthen their tenure. We hope to see healthy chunks of recruitment and HR budgets earmarked for new talent acquisition tactics to target this generation.

⁶ <http://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/measuring-b2bs-digital-gap>

SALES SALARIES

2016 -17 range in NZD \$'000s

role	AUCKLAND			WELLINGTON			WAIKATO			CHRISTCHURCH		
	Low	High	% change	Low	High	% change	Low	High	% change	Low	High	% change
Sales Director	150	220	---	110	205	---	120	180	---	120	180	---
Senior Account Manager	120	130	---	110	130	---	100	130	---	90	120	---
Sales Manager	120	160	11%	95	120	---	80	120	3%	80	120	---
Key Account Manager	90	120	12%	75	100	---	80	95	---	70	100	6%
Customer Relationship Manager	90	110	15%	70	100	---	60	80	---	70	100	6%
Business Development Manager	75	100	3%	55	85	---	60	80	---	80	100	6%
Account Manager	65	85	---	53	85	2%	55	75	---	55	70	---
Account Executive	55	75	---	55	65	3%	50	60	---	50	70	---
Sales Coordinator	50	60	6%	45	51	4%	40	50	---	45	55	3%

A note about remuneration for sales position: We've chosen to include base salary only in this survey. Many mid to senior level sales roles also have an on-target earning (OTE) component awarded for achieving targets. The OTE offered by different businesses can vary greatly in both the approach taken and amount and it's difficult to provide a definitive and helpful range.

MARKETING SALARIES

2016 -17 range in NZD \$'000s

role	AUCKLAND			WELLINGTON			WAIKATO			CHRISTCHURCH		
	Low	High	% change	Low	High	% change	Low	High	% change	Low	High	% change
Chief Marketing Officer	180	260	---	160	205	4%	140	180	6%	120	200	---
Marketing Director	170	240	---	180	220	---	140	180	---	140	200	---
Group Marketing Manager	130	180	8%	120	160	---	100	150	---	100	160	---
Communications Director	120	150	4%	130	180	13%	100	140	---	100	150	---
Marketing Manager	90	150	-4%	105	155	4%	85	115	---	100	150	---
Communications/PR Manager	95	140	13%	100	140	2%	90	110	---	90	140	---
Customer Experience Manager/Designer	100	140	15%	100	130	2%	80	120	---	85	120	---
Brand Manager	85	120	---	80	100	---	90	110	---	85	120	---
Digital Marketing Manager *	90	130	5%	90	120	2%	80	110	11%	75	90	---
Marketing Executive	65	85	3%	60	78	---	55	70	---	60	80	---
Events Coordinator	58	70	4%	45	55	9%	55	65	10%	52	60	---
Communications Assistant	52	60	---	50	55	---	45	55	---	50	60	---
Communications Coordinator	54	60	2%	45	55	5%	45	55	---	50	60	---
Marketing Assistant	42	55	---	45	55	---	45	50	---	46	55	---
Marketing Coordinator	45	54	7%	40	50	---	40	45	---	46	55	---

*The breadth of roles encompassing a digital component is expanding at a rapid pace, and job titles including 'digital' are wide and varied.

CONTRACTING

One of Madison's core business services is the recruitment provision of independent contractors. We thoroughly understand the business drivers that necessitate the engagement of interim talent and we're pleased to be able to supply our clients with professional, qualified and vetted contractors, from mid to senior management level candidates through to executive talent, across broad business functions and industry sectors.

the year in retrospect

While the NZ employment market has always had a steady requirement for interim talent, with the strong performance of our economy in 2016 we saw the beginnings of an expansion in demand for contingent workers. The large scale infrastructure projects and construction work across the country that has fuelled so much growth across industries also had an impact on the demand for skilled contractors. Interestingly it's the public sector that has money to spend. For any roles within property, roading and construction that are required to resource specific projects and programmes there was—and continues to be—a skills shortage. For senior Programme and Project roles, the profile of a suitable candidate included tertiary qualifications, with a minimum of 10 to 15 years relevant experience and there was no compromising on this. The calibre of talent for these essential projects has to be very high as contractors must be able to hit the ground running. Contracting rates were of course driven upwards by this stringent demand and we don't expect to see a decline for the remainder of the year, given the long term nature of many of these projects.

skills in demand

With a large number of restructures and acquisitions occurring over the course of 2016, Business Transformation and Change experts were in high demand and some were able to command rates with an annual salary equivalent in excess of \$250k. While it's difficult to predict upcoming work in the contracting market, we do anticipate that skilled HR professionals with this type of experience should have no problem finding assignments. Procurement professionals were also in high demand and remain on the shortage list for 2017, ditto with Supply Chain Managers and Analysts. IT contracting was steady; there was plenty of demand without dramatic skills shortages and a good supply of available IT talent. In Wellington there has been a push to bring in more permanent staff members, but many organisations are still looking for the key technical skills that contractors can bring into their organisation to add significant value. On the other end of the scale, the demand for accounting and finance professional contractors remained fairly stagnant, having not yet fully recovered from post-GFC drops.

the candidate view

Experienced candidates in this market certainly understood their value and we experienced plenty of spirited negotiation for higher rates. Contracting is seen as a good way to broaden experience and get involved in interesting projects—of which there are many these days, particularly in the Auckland market. In the past year, we've interviewed more candidates at the GM or C-Suite level, looking to fill in a gap in time while seeking their best option for a senior permanent position. Word of our strong economy and buoyant job market has certainly got out and anecdotally, we've noticed larger numbers of New Zealanders returning from overseas, as well as more Australian candidates expressing interest in contracting through Madison.



THEMES

The salary and information collected to build this report came from a variety of sources and across multiple locations. Each city and regional centre has its own unique recruitment market. Each industry follows a different pattern of hiring activity. Collectively however, four themes emerged that encapsulate the employment market in New Zealand for 2016 and suggest what we can expect for the rest of 2017 and beyond.

1 project power

Businesses are attempting to respond and adapt to the world's rapidly changing digital landscape. This high speed change requires flexible programmes of work, with accelerated resourcing. Subsequently we've seen demand for interim talent in every shape and form increasing over the past year, and showing no sign of abating. Along with the core technical or soft skills required to do the job, comes the requirement for project management knowledge and experience. We've seen this from entry level business support roles through to multi-programme construction project management. The most in-demand talent is able to work successfully in a complex role and environment.

2 crossover

Increasingly we are seeing crossover from skills in one industry into another. We reported on this last year, highlighting the merging of some sub-sectors of marketing and IT, but it's now very evident in other areas. For example, we've seen Data Analysts who were located in the finance division but who now sit in sales, or in IT. Sideways movement provides opportunities for candidates but also adds to the complexity of the working experience. In 2017/18, we'll be mapping possible crossover career paths to better understand opportunities for our candidates.

3 waikato watch

While many regional areas seem to have been teetering on the cusp of significant growth for years, it's the Waikato region that has our attention. It's true that Auckland remains the big player when it comes to GDP expansion, while Waikato has been operating slightly below the national average of 2.5% in recent years. However the region is still the fourth largest contributor to the NZ economy and more importantly, holds a lot of potential. As a growing logistics hub, the home of agri-technology innovation and showing growth in high value manufacturing, the Waikato market will be on our watch list for the next year.

4 fit vs personality

This past year has brought more discussion on the all-important yet elusive culture fit. Organisations ask for it; Consultants recruit for it. Good culture fit is something to aim for as it's associated with mutual positive benefits such as greater job satisfaction for the employee, for the business— higher commitment and increased tenure. Yet it's a problematic term. Because the phrase has become so popular, its definition has expanded until it's come to mean many different things.

There is a clear risk to business when culture fit is understood as something more akin to a personality fit. When we hire someone 'like us', or because that person would be a good playmate (rather than colleague); when we focus on 'getting along' with that person, the result over time will be a homogeneous workforce with a lack of diversity. Avoiding this issue requires developing a benchmark of what 'cultural fit' actually means for your business. Culture is demonstrated through your organisation's language, decision making approaches, stories and legends and daily work practices. It is often expressed through organisational values. Once culture is understood, then applicants can be assessed against the core values that are essential to the business, while still welcoming diversity outside of these core values. An employee who is a good cultural fit will work well within the environment and culture you have created.

The key issue most organisations strike is the challenge of clearly articulating the behaviours that ensure culture fit.

If you'd like to better understand culture fit in your organisation and how to build this into your hiring practices, get in touch with Julie Cressey, Head of Consulting and Customer Development. Julie would be delighted to understand your key challenge areas and will be able to provide you with more detailed information.

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ABOUT US

Madison was established in 1998 and is a wholly owned subsidiary of AWF Madison Group, New Zealand's largest recruitment company and the only in our industry to be listed on the NZX.

We have over 100 staff across the country delivering our services across five locations in Auckland Central, Auckland South East, Hamilton, Wellington and Christchurch. There is no other New Zealand owned recruitment agency that handles the volume, scale and range of work that Madison does. Each week there are on average over 1000 temporary workers and contractors on client sites around the country and in the last year we filled over 5600 roles. This gives us access to the real-time market information, salaries and trends that has allowed us to compile this employment market report.

what we do

Madison works across virtually all industry sectors, with companies ranging from small start-ups to global blue-chip organisations and large public sector and not-for-profit organisations.

Our track record includes full service recruitment covering **temporary, permanent** and **contractor** needs across the following sectors:

- Administration and Business Support
- Accounting, Banking, Finance and Insurance
- Contact Centre and Bulk Recruitment
- Human Resources
- Industrial
- Information Technology
- Property and Construction
- Procurement and Supply Chain
- Sales and Marketing

Within disciplines, we recruit for the full range of positions from entry-level through to executive appointments.

Depending on our client's needs, our recruiters will deliver an end to end solution or unbundle the recruitment process to supplement the expertise and resources you have in your organisation.

We offer specialist consulting services to support our client organisations' talent life cycles. Some of the key services we deliver via workshop, training or coaching include:

- Talent development
- Assessment centre design
- Outplacement services
- Psychometric profiling and skills testing
- On-boarding of talent
- High performer profiling.

how we do it

Because we have a broad focus but we are staffed by specialist recruitment professionals, we're able to offer the combined benefits of breadth, reach and personalised, expert service. Collaboration, sharing, building a real relationship and true partnerships are what set us apart.

We not only understand New Zealand, but have been specifically built and grown for this market alone.

contact us

To find out more about Madison and our services you can visit our website at madison.co.nz or please call us on 0508 MADISON.

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