



# NZ Employment Market Report 2020

Industrial

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Business confidence has remained stable over the last 12 months in the industrial sector, but looks unpredictable moving into 2020. There have been some instances of organisations scaling back, which is partly an economic reaction, but also in preparation for greater integration of technology, specifically AI into their workplaces. This will allow increased visibility into operations; enable substantial cost savings and faster production times, while enhancing the customer experience.

Changes to visa requirements, specifically the increase in the minimum salary levels threshold for Skilled Migrant Visas, has led to many organisations being unable to bring in and support overseas workers, as they have done in the past to meet resourcing needs. For example, a CNC Operator role that typically pays \$60,000 no longer meets the threshold. This has had a detrimental effect on many engineering and manufacturing employers' ability to source the talent they need.

In South Auckland, there was continued growth leading to ongoing, high demand for industrial talent. We saw a trend, whereby we register candidates for our temp pool, only for them to soon be unavailable, as they are offered multiple assignments through various channels.

## Roles & Salaries

The areas of warehousing and distribution are where we saw the highest demand for staffing. The skill set required for workers in these areas have expanded, with more demand for F-endorsed forklift licences for example, and now it's also not uncommon for roles to require SAP experience and computer skills.

We expect the increase in minimum wage to have an impact on this sector, and foresee salary rises in the latter half of this year, and into 2021. With Auckland Council adopting the living wage, including for temporary employees, there may be another potential impact on market rates.

## Employers

Primarily, employers look for candidates with a requisite set of skills to immediately meet the needs of the role. A classic example would be a request for a candidate with an F-endorsed forklift licence, and at least three years of direct warehousing experience. However, coming in a very close second was the need to recruit candidates with demonstrable commitment and reliability. This is a reaction to the challenges of the recruitment process-drop off, and retention in this sector.

## Candidates

The desire to secure a full time, permanent role has been a regular talking point amongst our candidates over the past 12 months. While there is a group of candidates who prefer working in temporary positions, we have also encountered a sizeable portion of industrial talent, for whom securing the ideal permanent role is a key goal.

Job security and development are fundamental for our candidate pool. They are conscious of not being stuck in entry-level roles, and clients who offer growth opportunities are perceived favourably. There is clear evidence that today's candidates make the choice to build a career in this sector. Candidates also look for certain fixed shift patterns to fit in with their lifestyle, which is still, and always will be, part of the industrial sector candidate wish list.

Perhaps in line with the shift in perception of the industrial sector, we have recorded that job seekers (including those new to the workforce) are no longer accepting of minimum wage for industrial roles, and expect a pay rate of \$20 per hour, or higher, which could be due to more people travelling outside of their residential area in order to secure a 'good' job, and require higher remuneration to cover commuting costs.

# Industrial Salary Guide

2019/20 RANGE IN NZD \$'000s

<i>role</i>	AUCKLAND	
	<i>Low</i>	<i>High</i>
Operations Manager	95	140
Logistics Manager	85	135
Warehouse Manager	75	110
Branch Manager	65	95
Team Leader / Operations Supervisor	60	85
Industrial Electrician	80	110
Qualified Builder	80	120
Mechanical Fitter	55	70
Qualified Gardener	46	55
Gardener	40	45
Machine Operator	43	60
Class 2 – 5 Driver	45	60
Forkhoist Operator	43	52
Ride on Mower Operator	45	55
General Store Person (Pick Packers & Devanners)	40	45
Commercial Cleaner	41	46
General Labourer	40	44

## Madison recommends:

- The big draw card for talented candidates in this sector is the opportunity for growth and progression. Therefore, the provision of visible, structured growth opportunities and in-house training to build skills is highly recommended for organisations wishing to source and retain talented candidates.

It is extremely important that an organisation is actually able to deliver on these promises. We have unfortunately seen several instances when 'potential opportunities for development' were sold to candidates, but later did not materialise. There may be valid reasons for this, but the negative impact is still hugely detrimental for organisational retention, and employer brand.



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