WAIHANGA ARA RAU
Construction and Infrastructure
Workforce Development Council

Is the grass really greener?

Investigating the attractiveness of Australia and New Zealand to workers in the construction and infrastructure sector

Summary report

Introduction

Background and purpose

The construction and infrastructure sector in New Zealand is experiencing significant challenges relating to employee retention. One of the issues facing the sector is the perceived attractiveness for employees of relocating to Australia.

The Construction and Infrastructure Workforce Development Council, Waihanga Ara Rau, commissioned *Allen + Clarke* to undertake targeted research to understand factors relevant to individuals' decisions regarding working in Australia compared to New Zealand.

The information produced through this research is intended to support Waihanga Ara Rau, industry associations, and employers to respond to employees' perceptions of the attractiveness of working in Australia with a view to both improving workforce retention and returning individuals to New Zealand's workforce.

Scope

The research focused on selected objective and subjective factors informing individuals' decisions to move to Australia and back to New Zealand to work in the construction and infrastructure sector. The final scope of the research was to compare, between Australia and New Zealand, factors relating to:

- incomes
- living costs
- quality of life, and
- employment conditions.

Methods

The research team employed a mixed methods approach to data collection, integrating qualitative and quantitative data collection techniques.

Quantitative data was sourced from a range of publicly available datasets, provided by organisations including Statistics New Zealand, the Ministry of Business Innovation and Employment (MBIE), the Australian Bureau of Statistics (ABS), the New South Wales and Victorian state governments, and the Organization for Economic Cooperation and Development (OECD).
Data sources and analysis methods have been provided throughout the report and in Appendix A, where relevant.

Qualitative data was collected through a series of interviews with individuals who worked in the construction and infrastructure sectors and had lived and worked in both New Zealand and Australia. A case study was prepared based on each interview. The case studies highlight why each participant left New Zealand, why they returned to New Zealand (if this occurred), key information relevant to comparing their experiences in Australia and New Zealand, and a summary of what participants considered needs to change in New Zealand to make working in New Zealand more attractive. The case studies are attached in Appendix A.

Further detail on the research methods and associated limitations are set out in the full report, attached as Appendix B.

Findings and insights

This section details key findings and insights arising from the data collection and analysis process.

Reasons for moving between New Zealand and Australia

Why participants left New Zealand for Australia

The participants interviewed for this project left New Zealand for Australia for two reasons; either because they were keen to work while travelling and exploring life outside New Zealand (typically the younger cohort), or because they were chasing career challenges and/or a higher income in Australia (typically younger or mid-career cohort). Some participants moved for a combination of these reasons.

- **The "tradie OE":** Several participants identified that wanting to travel and live outside New Zealand was a significant driver for them to move to Australia. Australia has been an attractive option for New Zealand tradespeople wanting to work and travel as transferring qualifications and a lack of immigration barriers has made the process relatively simple. Several participants strongly communicated that there was nothing that would have kept them in New Zealand in their early 20's when they moved to Australia, as they were intent on new experiences. For this cohort, the move was less about work opportunities and more a result of their personal lifestyle choices. However, the potential to earn a good income in Australia while experiencing living outside New Zealand contributed to their decision to relocate.

- **Better incomes:** Some participants moved from New Zealand to Australia specifically due to their understanding that they could receive greater incomes in Australia than in New Zealand. This rationale was noted by younger and mid-career tradespeople. In most cases, participants noted that incomes were higher in Australia than in New Zealand, and career progression opportunities were more visible and accessible. However, several participants noted that the extent to which people secure higher incomes and better career opportunities is sometimes exaggerated. One participant highlighted that younger people he works with assume that incomes in Australia are greater than they actually are, basing this assumption on understandings that are no longer accurate. Several participants stated that while incomes are still somewhat higher in Australia than New Zealand, the income disparity has been shrinking over time.

- **More career progression opportunities:** Those who moved mid-career often cited the larger scale and diversity of opportunities in Australia as a primary motivation to move. These participants moved to Australia as intermediate and senior roles in their specialisations were more visible in Australia than New Zealand. Participants also identified that the default progression option in New Zealand tends to be becoming a business owner, which may not be desirable for everyone. Several participants considered that the boom-bust cycle in New Zealand (driven in part by fluctuations in government investment in construction and infrastructure work programs) placed limits on career progression opportunities in New Zealand.

Why participants came back to New Zealand after a period in Australia

The participants who returned to New Zealand after time spent in Australia did so for personal reasons such as starting a family, joining a family business, due to the COVID-19 pandemic, or a mix of these reasons.

- **Being closer to family was the most frequently cited reason for moving back to New Zealand from Australia.** Most of the participants we spoke to said they wanted to be closer to family, and often moved back to the region they grew up in or near to where their parents (on parent's in-law) lived. This was particularly relevant for those who had small children or who were starting families.

- **Starting a family and wanting kids to grow up in New Zealand was another frequently cited reason for moving back to New Zealand**. Several participants noted that the catalyst for moving was because they were expecting their first child, or because their children were due to start school. These participants didn't believe that there were significant drawbacks to school in Australia, rather they considered that they would like their family to be based in New Zealand in the long term, so moving before children started school felt like the right time.

- **Two participants moved back to New Zealand to join a family business.** In both cases, these businesses were family farms. Both participants were builders who decided to change career from building to farming when they moved back to New Zealand after living and working as builders in Australia. In both instances, the change was driven by a pull towards the family farm, rather than a push away from building.

Further, the qualitative data also indicates that New Zealand's construction and infrastructure sector benefits from individuals' return from Australia. Aside from increasing the size of the workforce, their repatriation introduces new skills to the New Zealand construction and infrastructure sector. This is because in their time overseas, they generally gain a range of experiences that are less common in New Zealand due to the scale of the construction and infrastructure sector.

Income

Quantitative findings

The Australian and New Zealand Standard Classification of Occupations (ANZSCO) is a skill-based system used to categorise all occupations and jobs in the Australian and New Zealand labour markets. ANZSCO provides a standardised framework for collecting, analysing, and disseminating occupation-related data. The classification is structured hierarchically with five levels: major group, sub-major group, minor group, unit group, and occupation.

Figure 1, below, shows the percentage of individuals in selected sub-major groups earning over $55k (AUD) in New Zealand versus the percentage of individuals in each sub-major group earning over $52k (AUD) in Victoria, New South Wales, and Australia. The data for New Zealand and Australia includes all income earned by individuals within the relevant sub-major groups who completed each country's census, so includes the effect of overtime or penalty rates.

Figure 1: Percentage earning over $55K in New Zealand versus earning over $52K in Australia (both reported in $AU as at 2021, net) by sub-major group (total personal income, all sources).[1]

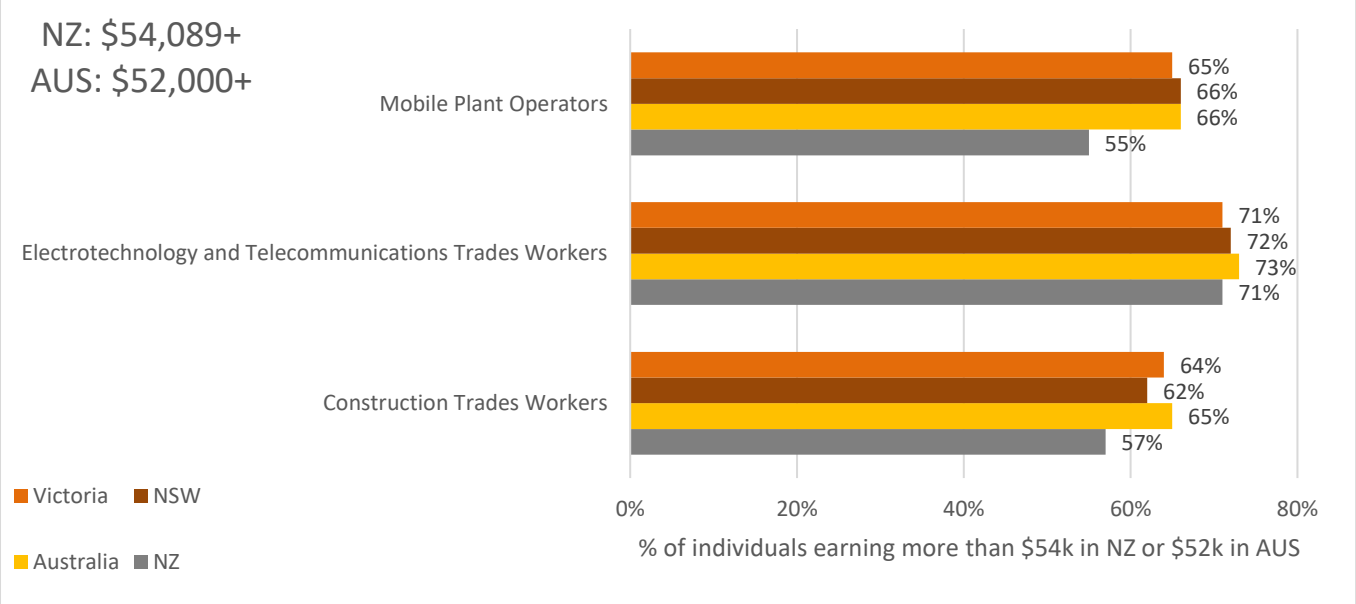


Figure 2, overleaf, presents OECD data comparing the average income tax rate as a percentage of the gross wage earnings of a household's principal income earner at 100% of the average wage in Australia and New Zealand from 2014 to 2023. Figure 2 shows that the average income tax rate at 100% of the average wage is less in New Zealand than in Australia. However, the difference does appear to be reducing slightly over time.

[1] This work is based on/includes Stats NZ's data which are licensed by Stats NZ for reuse under the Creative Commons Attribution 4.0 International licence; ABS. (2024). 2-digit level OCCP Occupation by INCP Total Personal Income (weekly). Data source: 2021 Census - employment, income and education. TableBuilder - Table view (abs.gov.au).

Figure 2: Average income tax rate comparison, Australia and New Zealand, 2014 to 2023[2]

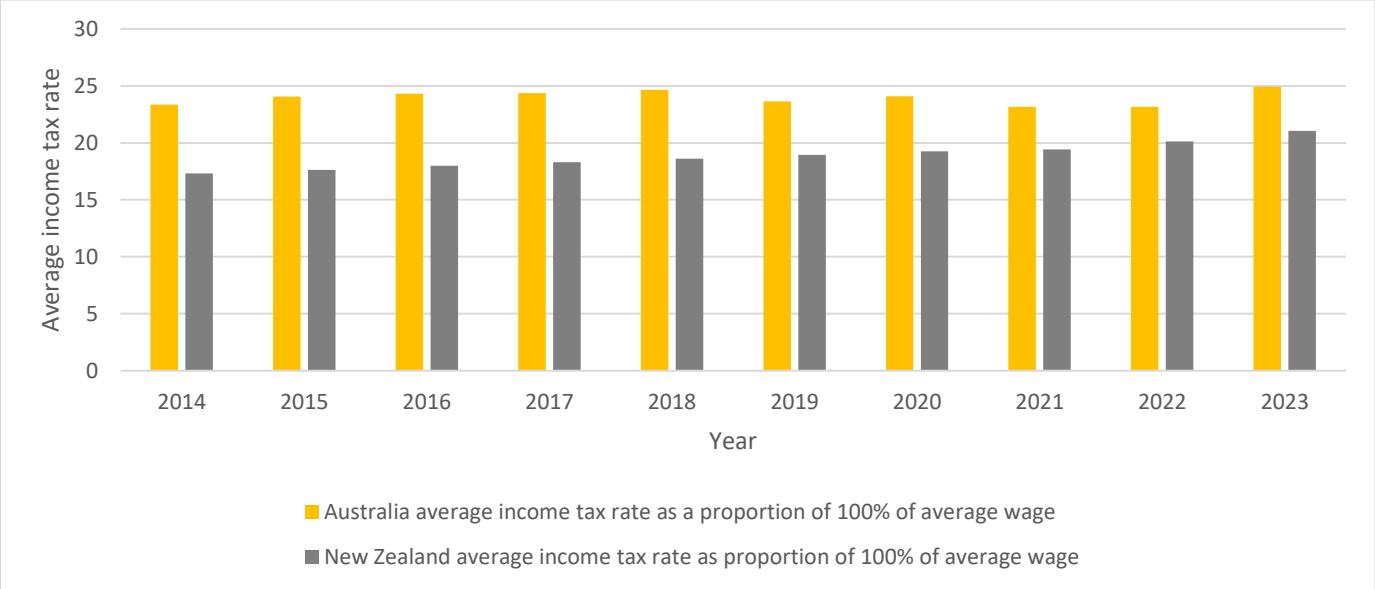


Figure 3, below, presents OECD data on gender wage gaps defined as the unadjusted percentage difference between median wages of men and women relative to the median wages of men. Figure 3 demonstrates that, at median wages, New Zealand has consistently had a lower gender wage gap than Australia. As of 2023, New Zealand's gender wage gap was less than half of Australia's, and decreasing further, while Australia's gender wage gap had increased from 2022 to 2023.

Figure 3: Gender wage gap, Australia and New Zealand, 2005 to 2023[3]

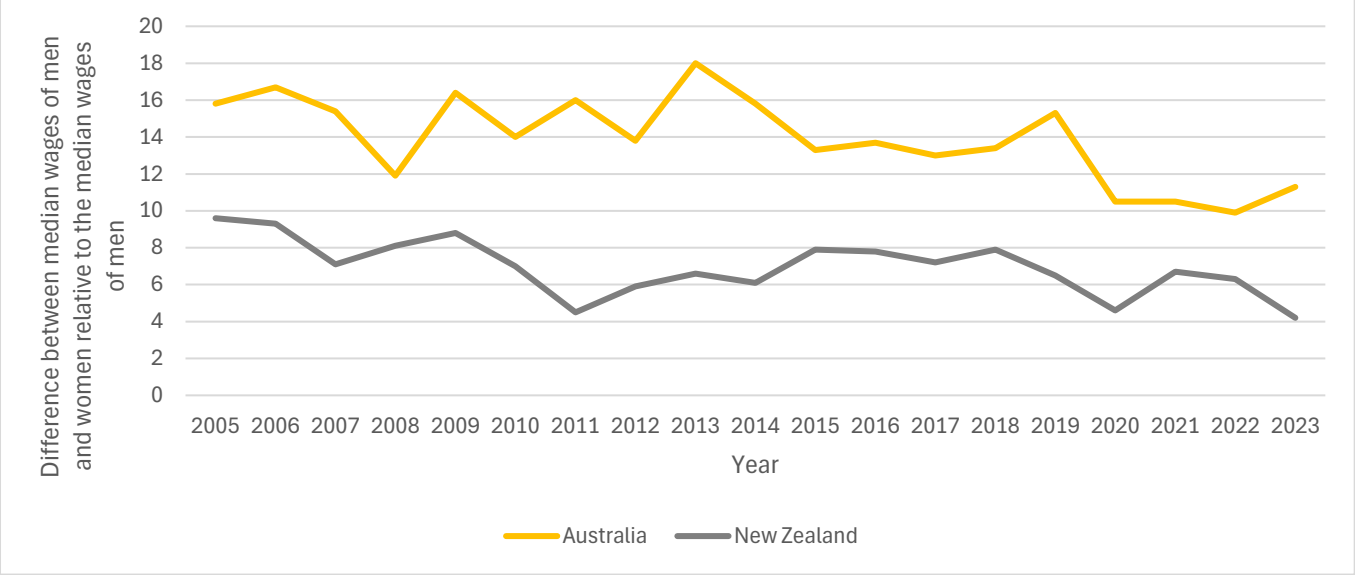
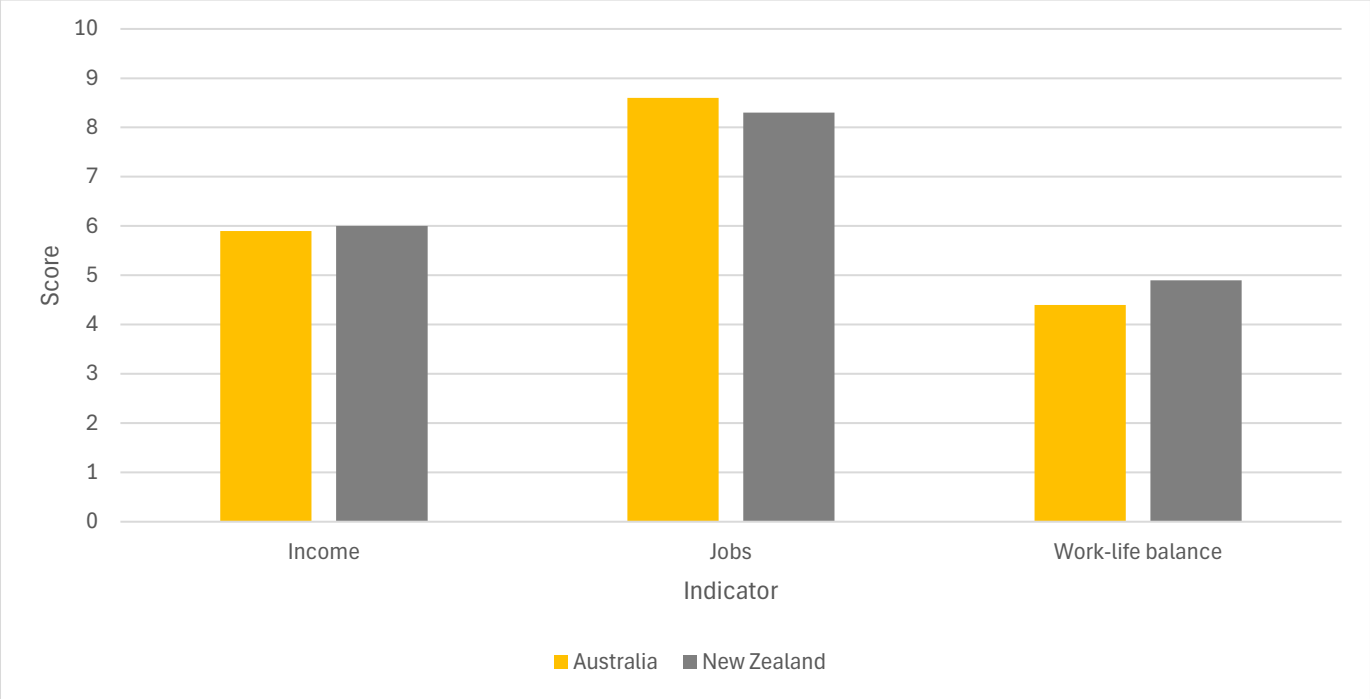


Figure 4, overleaf, compares the OECD Better Life Index scores for Australia and New Zealand on "income", "jobs", and "work-life balance" as at 17 September 2024. Figure 4 shows that New Zealand scores better than Australia on both "income" and "work-life balance".

[2] OECD (2024), *Labour taxation – OECD comparative indicators*, (accessed on 9 September 2024)
[3] OECD (2024), *Gender wage gap*, (accessed on 9 September 2024)

Figure 4: OECD Better Life Index score comparison, income, jobs, and work-life balance[4]



Qualitative findings

Greater utilisation of overtime and penalty rates in the construction and infrastructure sector in Australia: Several case study participants identified that employees receive additional hourly pay when working more than 38 hours a week or on weekends. Case study participants noted that this provides employees the opportunity to earn significantly more than one might expect when considering only normal hourly wages. However, this additional income requires employees sacrificing personal time. This was identified as being less desirable for some individuals, particularly those with dependents.

Reliance on historic information: Several participants noted that the additional income they were able to earn in Australia, while greater than New Zealand, was less than they anticipated. Some participants, who had worked in both Australia and New Zealand over long time periods, considered that the income disparity was significantly greater two decades ago, and that it had been consistently shrinking over time. While it was not clear the extent to which this could be attributed to increasing wages in New Zealand. Some participants communicated that younger people they work with appear to be basing their understanding of the income-related benefits of moving to Australia on received wisdom, which is no longer accurate.

Larger scale and lower costs: Many participants' comments indicated that the larger scale of the construction and infrastructure sector in Australia meant more demand for employees, putting upward pressure on wages. In particular, Luke, a roofer, strongly communicated his view that demand in New Zealand is at historically low levels, inhibiting wage growth as companies are forced to compete on price for a shrinking amount of work. Several participants specifically identified that the higher cost of building materials in New Zealand means that the proportion of any contract remaining for wages is less in New Zealand than Australia, also preventing wage growth.

Income insights

Electrotechnology and Telecommunications Trades Workers: there is a clear opportunity for employers and industry associations to develop and present a robust and persuasive argument that individuals are not likely to earn significantly more income in Victoria and New South Wales than New Zealand. Further, individuals may in fact receive less after-tax income from salary and wages, particularly when excluding overtime and penalty rates that are more common in Australia. This argument is strengthened by New Zealand's slightly higher OECD Better Life Index score on "income", which accounts for the effects of taxation and transfers on disposable income.

[4] Organisation for Economic Co-operation and Development (OECD). (n.d.). *Better life index*. OECD. https://www.oecdbetterlifeindex.org

Construction Trades Workers: there is an opportunity to develop and present an argument that individuals should consider whether they will in fact earn enough additional income in Australia to overcome the additional tax they will be required to pay. Further, individuals can be encouraged to consider whether that additional income will only be available by working overtime and on weekends to receive penalty rates, and whether they are willing and able to sacrifice the personal time necessary to attain this additional income. This argument is strengthened by New Zealand's slightly higher OECD Better Life Index score on "work-life balance".

Mobile Plant Operators: the income disparity for this cohort is likely too great to enable employers and industry associations to make a solely income-based argument to employees to remain in New Zealand, even including consideration of the impact of greater taxation in Australia. However, a proportion of the greater incomes in Australia will likely come from overtime pay and penalty rates, so the wage or salary disparity may not be as great as the net income disparity suggests. This provides an opportunity to use comparison of after-tax incomes from ordinary working hours as part of a broader argument for remaining in New Zealand.

Women: the much lower gender wage gap in New Zealand provides an opportunity for employers and industry associations to present a strong argument to women that they are more likely to receive more equitable wages in New Zealand than in Australia. However, it is important to note that this research has not assessed the gender pay gap specifically in the construction and infrastructure sectors in Australia and New Zealand.

Living costs

Quantitative findings

Figure 5, overleaf, presents OECD data on the annual house price to income ratio from 2003 to 2023. Figure 6 provides a more detailed view of the house price to income ratios in Australia and New Zealand from 2020-Q1 to 2024-Q1 (the most recent quarter for which New Zealand data was available). This data shows that purchasing a house in New Zealand began to become less affordable than Australia from approximately 2017. However, since 2021, the house price to income ratio in New Zealand has been dropping significantly and purchasing a house in New Zealand has likely become more affordable (when assessed by price to income ratio) than in Australia in 2023-Q3. Notably, house price to income ratio data was available for Australia for 2024-Q2, which shows a further increase to Australia's house price to income ratio since 2024-Q1.

Figure 5: House price to income ratios, Australia and New Zealand, 2003 to 2023[5]

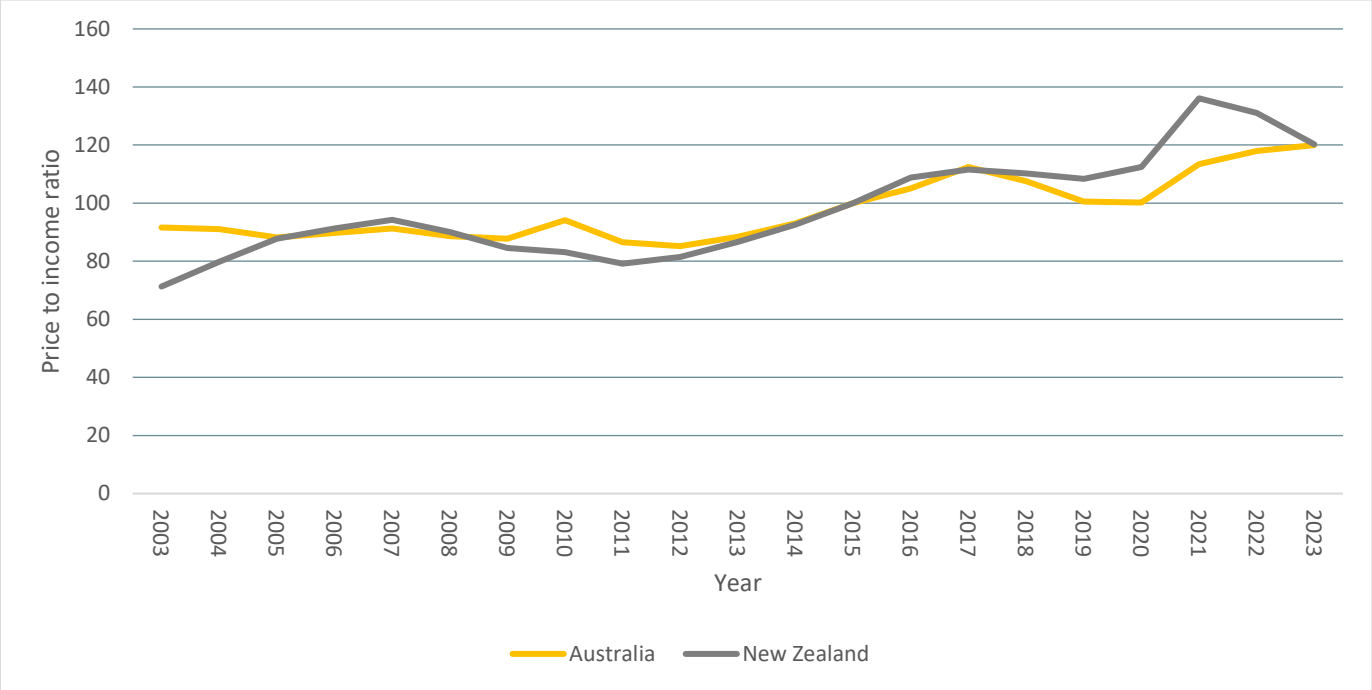


Figure 6: House price to income ratios, Australia and New Zealand, 2020-Q1 to 2024-Q1[6]

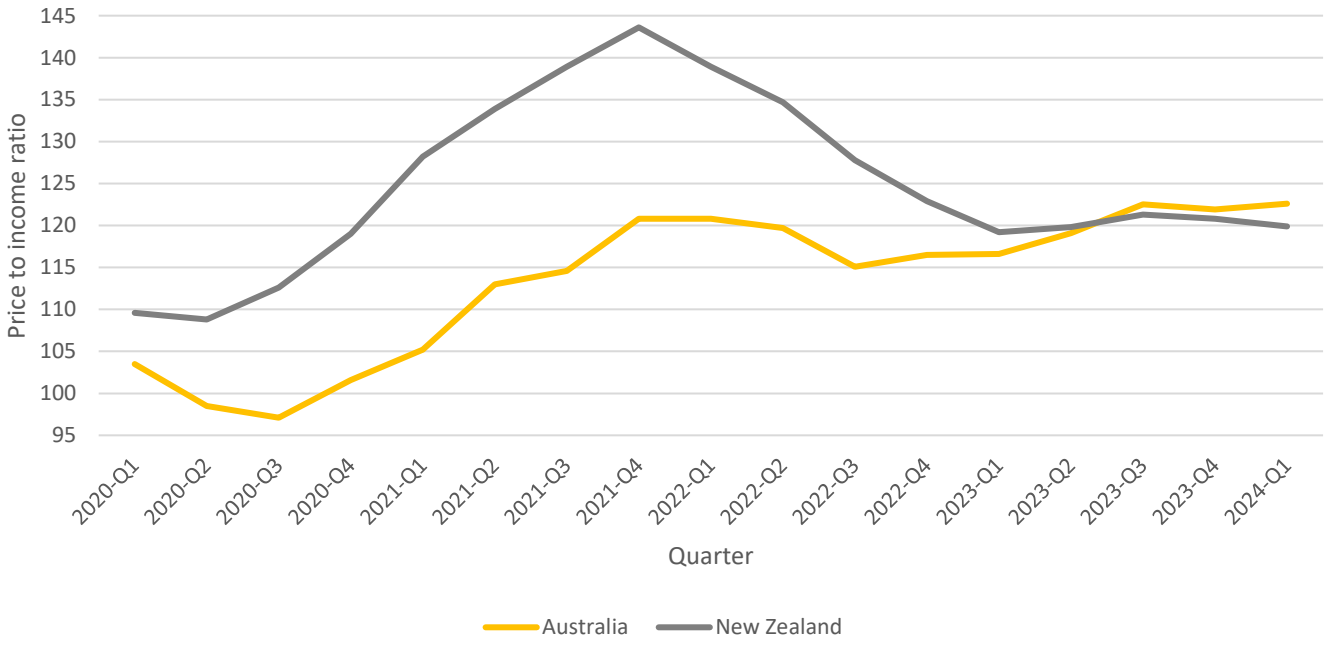


Figure 7 and Figure 8, both overleaf, compare median rents in a range of New Zealand and Australian regions. The analysis shows that renting in New Zealand is likely to be more expensive than in New South Wales and Victoria. However, it also shows that this disparity may be mitigated for individuals in New Zealand who are able to rent outside Wellington or Auckland.

[5] OECD (2024), *Analytical house price indicators*, (accessed 5 September 2024).
[6] Ibid.

Figure 7: Median rent weekly comparison, New Zealand and selected Australian statistical areas, December 2018 to December 2023[7]

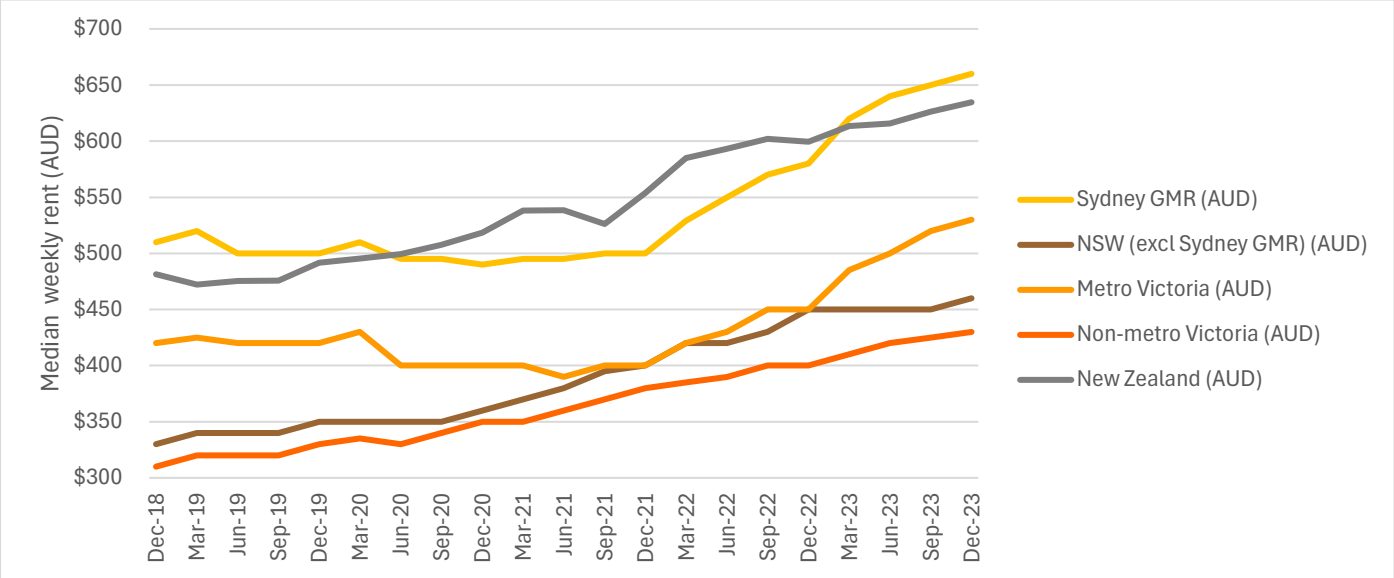
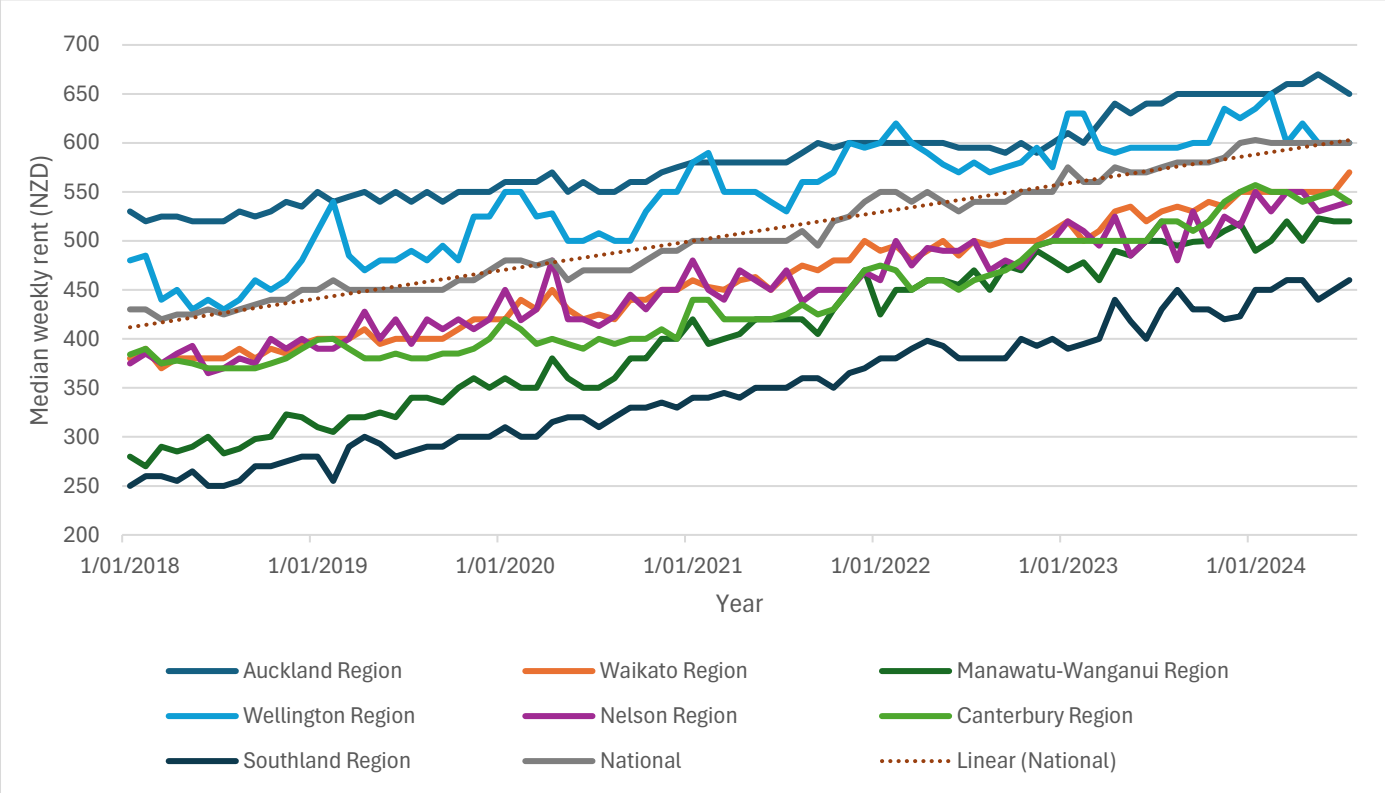


Figure 8: Median weekly rent comparison, selected regions in New Zealand, 2018 to 2024[8]



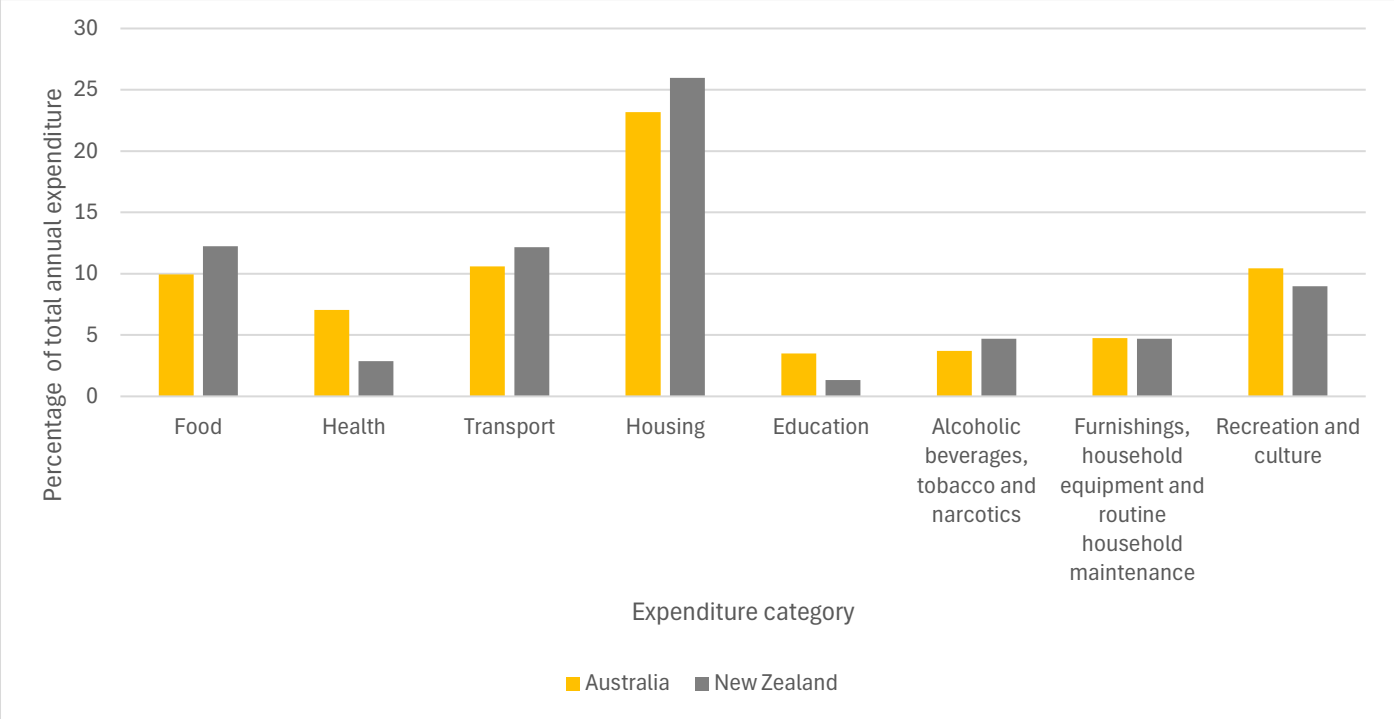
The United Nations Classification of Individual Consumption According to Purpose (COICOP) is a reference classification published by the United Nations Statistics Division that categorises individual consumption expenditures incurred by households, non-profit institutions serving households, and general government.

[7] State of New South Wales (Department of Communities and Justice); Victorian Department of Families, Fairness, and Housing. (n.d.). *Quarterly median rent by local government area – March quarter 2024*. State of Victoria; Ministry of Business, Innovation and Employment. (2024). *Rental bond data, by region, February 1993 to July 2024.* Ministry of Business, Innovation and Employment.

[8] Ministry of Business, Innovation and Employment. (2024). *Rental bond data, by region, February 1993 to July 2024.* Ministry of Business, Innovation and Employment.

Figure 9, below, presents the results of analysis of OECD data on total annual household final consumption expenditure categorised by COICOP for the 2022 calendar year. Figure 9 shows that the proportion of annual household expenditure on health and education in New Zealand are each less than half of that in Australia. However, the proportion of annual household expenditure on food, transport, and housing are all higher in New Zealand.

Figure 9: Proportion of annual household final consumption expenditure by COICOP, Australia and New Zealand, 2022[9]



Qualitative findings

Most participants discussed their perception of the relative costs of living in Australia and New Zealand.

Participants who lived outside New South Wales or Victoria generally considered that the cost of living in both countries was very similar. However other participants, particularly those who said they had lived in Sydney or Melbourne, considered that the cost of living was noticeably higher in Australia than New Zealand.

Only one participant specifically compared house prices in Australia and New Zealand. This participant considered that at the time they purchased their house in Australia, it was significantly more affordable in Australia than New Zealand. However, as can be seen from Figure 5 and Figure 6, it may be that this would no longer be the case.

Cost of living insights

The data presented above indicates several opportunities for industry associations and employers to develop and communicate messaging targeted at particular cohorts of workers:

New Zealanders working in Australia – mid to late career: Communicating the fact that the house-price to income ratio in New Zealand is now comparable to Australia provides an opportunity to entice mid- to late-career New Zealanders who are currently working in Australia to return to New Zealand, assuming that these individuals are likely to have accumulated sufficient wealth to be in a position to purchase a house. Utilisation of this measure inherently accounts for income differences between the two countries, which enables the provision of a simple value proposition to New Zealanders in Australia who may already be considering moving for other reasons.

[9] OECD (2024), Annual household final consumption expenditure by purpose (COICOP), (accessed 2 September 2024).

New Zealanders working in either Australia or New Zealand who either have or are considering having children: The proportions of total household expenditure on health and education in New Zealand are less than half of that in Australia. Consideration of expenditure on these categories is likely to be more significant for individuals who support families with children. This provides an opportunity for employers and industry associations to communicate to these individuals that either relocating back to, or remaining in, New Zealand is likely to reduce health and education related expenditure for their household.

Analysis of the qualitative data supports a conclusion that individuals in the cohorts above are likely to already be considering relocating back to New Zealand. The quantitative data also provides indications of a cohort of workers that industry associations and employers are less likely to be able to convince to either remain in, or return to, New Zealand:

Workers who are early in their career: Assuming that they have not had time to accumulate sufficient wealth to purchase a house, workers who are early in their career are more likely to be renting. Figure 7 demonstrates that median rents for New Zealand are consistently greater than many of the Australian geographic areas selected for comparison. However, Figure 8 shows that many regions in New Zealand have median rents significantly less than the national median. This may provide useful information for employers in these regions to support discussions with existing and potential employees.

Employment conditions

Quantitative findings

Employee entitlements in Australia's construction and infrastructure sector are governed by the National Employment Standards, registered agreements, and industry awards. A detailed analysis of all employee entitlements in Australia's construction and infrastructure sector would be complex and voluminous due to the range of differing criteria and their application to various occupations. For the purpose of this research, an overview of industry awards provides a useful indication of some key differences between employment conditions in New Zealand and Australia.

Industry awards are legal documents outlining the employment conditions for employees within a particular industry or occupation. Australia's Fair Work Ombudsman identifies several awards that may apply to individuals employed in the building and construction industry:[10]

- the Building and Construction Award,
- the Electric, Electronic and Communications Contracting Award,
- the Mobile Crane Hiring Award, and
- the Plumbing and Fire Sprinklers Award.

These awards prescribe entitlements that arise when employees are performing certain duties or working in certain conditions. For instance, the Building and Construction Award prescribes a scale of hourly allowances that must be paid to employees working on multi-storey buildings, with the allowance increasing dependent on the number of storeys.

Using the Building and Construction Award as an example of the nature and extent of the prescribed overtime and penalty rates:[11]

- The prescribed ordinary hours of work are 38 per week (averaged over a 20-day 4-week cycle to allow for the accrual and taking of rostered days off, worked between 7.00 am and 6.00 pm Monday to Friday).
- All time worked beyond an employee's ordinary working hours, Monday to Friday, must be paid at the rate of 150% of the ordinary hourly rate for the first two hours, and 200% thereafter.
- Overtime work on Saturdays must be paid at 150% of the ordinary hourly rate for the first 2 hours, and 200% thereafter.
- All overtime worked after 12 noon on Saturdays must be paid at 200% of the ordinary hourly rate.

[10] Fair Work Ombudsman. (n.d.). *Understanding the building and construction industry*. Fair Work Ombudsman. https://www.fairwork.gov.au/find-help-for/building-and-construction-industry/understanding-the-building-and-construction-industry

[11] Fair Work Commission. (2024). *Building and Construction General On-site Award 2020* (MA000020). Fair Work Commission.

- All time worked on Sundays must be paid at 200% of the ordinary hourly rate.

In New Zealand, there is no direct equivalent to the Australian industry awards, particularly in relation to prescribed overtime and penalty rates. In New Zealand, rather than being prescribed, overtime and penalty rates are agreed between employers and employees as part of individual or collective employment agreements.[12]

Qualitative findings

Some variation in employment conditions were noted by participants, though these conditions were not primary reasons for moving in either direction. Differences in employment conditions included a more generous approach to overtime in Australia, the ability to specialise in Australia, and more prevalent long-term service leave in Australia:

Participants reported higher overtime rates in Australia than in New Zealand. Participants noted that overtime (across construction and infrastructure sectors) was paid at 1.5 or 2 times the base hourly rate for most tradespeople.

Participants highlighted that due to the size and scale of Australian industry, tradespeople often specialised in one niche area of their trade. This was seen as positive, negative, or neutral depending on the participant and contexts. Some participants appreciated the opportunity to hone their craft in one specific area, while others found this approach to be in conflict with the broader end-to-end training and experience they received in New Zealand. Some participants were neutral towards this difference and discussed it only in the context as a point of difference that did not have negative or positive impacts.

Tradespeople in some industries and states were eligible for long-service-leave, despite not working for the same company for the duration of their time in Australia. One participant discussed the long-service-leave benefit they received working as an electrician in Western Australia. He received a one-off six-week instalment of long-service leave plus an additional week per year there-after. He received this after seven years working as an electrician in Western Australia across two different companies.

Employment conditions insights

The entitlements under the relevant industry awards in Australia clearly provide individuals who are willing and able to work beyond ordinary working hours the ability to earn significant additional income. Analysis of the qualitative data indicates that the potential for additional income through taking advantage of these opportunities is a key reason that many New Zealanders perceive that they can earn a greater income in Australia than in New Zealand. However, it is important to note that by working beyond their ordinary working hours, individuals' work-life balance may be detrimentally affected. The desirability of making this trade-off is likely to vary significantly depending on an individual's circumstances and values.

Conclusion

This section of the report sets out the research team's recommendations as to how Waihanga Ara Rau, industry associations, and employers can work together to utilise the research findings and insights to build the construction and infrastructure sector's workforce.

This research has identified the reasons that lead some individuals to relocate to Australia to work, as well as the reasons that lead some individuals to return to New Zealand.

This research has also included quantitative analysis of the factors that are likely important considerations for individuals who are considering relocating to or from either country, providing robust comparisons of actual differences between Australia and New Zealand.

[12] Employment New Zealand (2024). *Hours of work*. https://www.employment.govt.nz/pay-and-hours/hours-and-breaks/hours-of-work

When Australia is attractive

The research has provided a strong indication that relocating to Australia to work is most likely to be attractive to individuals who do not have children, are relatively young, at relatively early stages of their career, and who are interested in experiencing living in another country. These individuals are likely to be comfortable working in ways that enable them to increase their incomes to higher levels than they could in New Zealand by taking advantage of overtime and penalty rates that are more consistently available in Australia. Higher income, earnt in this fashion, comes at a cost to work-life balance, the impact of which is less likely to be an issue for individuals without children.

Due to the larger scale of the sector in Australia, they are also likely to have more opportunities in Australia to progress to "intermediate" type roles in their trade. Further, assuming that these individuals have not had sufficient time in the labour market to accumulate sufficient wealth to purchase a house, the relatively high rents in New Zealand compared to Australia are likely to provide further incentive to relocate to and remain in Australia.

When New Zealand is attractive

The research has also provided a strong indication that remaining in Australia is likely to become progressively less attractive as individuals begin to have children, progress through their career, and accumulate wealth. Recent changes in the relative house price to income ratios of each country have recently made purchasing a house in New Zealand more affordable compared to Australia, providing a further incentive for individuals to return after a period of accumulating wealth in Australia.

Lower proportions of household spending on health and education in New Zealand also provide an indication that the required household expenditure on goods and services in these categories is lower in New Zealand, which for some individuals might lead to an increase in their disposable income. Further, higher average income tax rates in Australia mean that as individuals' earning potential increases, they pay proportionately more tax in Australia than they would in New Zealand. Finally, experience gained working in Australia was seen as potentially increasing individuals' labour market value in New Zealand, providing further incentive to return.

Making use of the findings

It is clear that a proportion of New Zealanders who relocate to Australia do so on the basis of inaccurate or incomplete information. Some of this information may have been accurate in the past, but changes over time in each country have reduced, removed, or reversed some key differences between the two countries. This provides an opportunity to equip New Zealand employers with current, accurate information about key factors to support them to have informed conversations with employees who might be considering moving to Australia, and to make informed decisions about changes in their own businesses that could improve retention.

Importantly, several case study participants identified that they moved to Australia as a direct result of Australian employers advertising for employees in New Zealand. These advertisements were perceived to be successful by case study participants because they highlighted the tangible benefits of working in Australia that appealed to them at the time and life stage that they saw the advertisements, namely the ability to earn a greater income while working in a country other than New Zealand. I.e., they provided potential employees with a compelling value proposition that responded directly to what those potential employees considered important.

The effectiveness of this strategy provides a compelling example that can be used by employers in New Zealand, with the support of industry associations, to return workforce capacity and capability to New Zealand.

Recommendations

The following sub-sections set out the research team's recommendations, informed by the qualitative and quantitative research findings.

Supporting activities for Waihanga Ara Rau

While the primary audience for this report's recommendations is industry associations and their member businesses, efficient implementation of the recommendations to those organisations will require ongoing support, coordination, and iteration. Waihanga Ara Rau is well positioned to support a whole of sector response to this research, with a view to equipping industry associations to support their member businesses to utilise the research findings to increase their workforce capacity and capability.

New Zealanders currently working in Australia provide a pool of well-trained, skilled workers who are familiar with the operation of the sector in New Zealand and who bring additional experience and expertise gained through working in a larger scale environment.

Investing in gaining access to this cohort will be particularly important when market conditions begin to improve because of increased public and private spending in the sector. Analysis of the qualitative data suggests that some employers may have been forced to shrink their workforces in response to low demand for services. Investment in gaining access to this cohort will also support businesses to understand whether, to what extent, and how they can efficiently retain their existing workforces.

The research team considers that investment in implementing these recommendations will support achieving the medium- and long-term outcomes set out in the Waihanga Ara Rau Statement of Strategic Direction 2023 – 2028, as well as aligning with Pou Tuarua: Relationships, Partnerships & Influence.

Monitor and report key metrics

The implementation of the recommendations to industry associations and employers arising from this research rely on those organisations having easy access to certain data, ideally updated as frequently as possible and for specific geographic areas. The research team considers that these should include:

Gross incomes

Waihanga Ara Rau can monitor and report gross incomes**,** for ANZCO unit groups, and where possible occupations, by Australian Statistical Geography Standard Greater Capital City Statistical Areas (GCCSA).

Data on incomes by unit group and occupation in Australia are collected and updated frequently, but accessing and producing usable summaries of this data requires familiarity with the ABS processes and datasets. While job search websites provide analogous data, it is likely that this data does not account for factors like overtime and penalty rates, and the terms of use of these websites likely prevent the data they present being utilised by businesses without specific permission.

Providing industry associations with ongoing access to timely analysis of ABS data on incomes by unit group and occupation by GCCSA will enable industry associations to support their member businesses to fully understand the incomes that their employees could expect in Australia. In turn, this will support the member businesses to assess the extent to which they can or should adjust their renumeration packages to provide a viable alternative to relocating to Australia for employees who are motivated solely or in large part by income differences. This information will also support member businesses to conduct informed negotiations with employees who indicate that they are considering moving to Australia.

Bearing in mind that this research is focused on addressing the attractiveness of moving to Australia, the research team does not consider that it would be useful for Waihanga Ara Rau to provide industry associations with ongoing access to timely analysis of Statistics New Zealand data on incomes by unit group and occupation. This is because this data would have only limited relevance to supporting industry associations or employers to alter individuals' decisions to move to Australia.

Net incomes by occupation and GCCSA

The effect of higher average income tax rates in Australia can provide an important point of consideration for employees who are considering moving to Australia to earn additional income. However, it is likely that the effect of those higher average income tax rates on their net incomes is not clear to many individuals. Waihanga Ara Rau could complement the regularly

updated gross income data recommended above by also providing the expected net income for each unit group or occupation in each GCCSA. This will provide industry associations and employers with additional information that they can use to support the implementation of the recommendations to those organisations.

Housing affordability

While the two metrics set out above are likely to be of the most direct ongoing relevance to industry associations and employers, housing affordability (both purchasing and renting) may also be an important consideration for many individuals. As with the income data discussed above, data on house purchase and rental prices is collected regularly in both Australia and New Zealand. As with the income data, making house purchase and rental price data accessible to, and useful for, industry associations and employers will require familiarity with the relevant datasets and analytical expertise, both of which can be efficiently provided by Waihanga Ara Rau at a system level to support industry associations and employers to utilise this information to support workforce retention or recruitment.

Develop tools to support industry associations and employers

The development of, and ongoing support for, some relatively simple online tools or dashboards could enable Waihanga Ara Rau to efficiently facilitate ongoing access to the data discussed above.

For instance, employers could enter the salary or wages they intend to offer their employees and be provided with percentage differences between that salary and average salaries by GCCSA in Australia, as well as the amount of income tax that would be paid on that salary in both jurisdictions. Or, employers could select their region, enter the salary or wage they intend to offer, and be provided with the house price to income ratio the intended salary or wage results in.

Provision of these tools would support the implementation of the recommendations to industry associations and employers, set out below.

Further investigate the gender pay gap in the construction and infrastructure sector

New Zealand's significantly lower gender pay gap indicates an opportunity to explore the extent of gender pay gaps (if any) in occupations in the construction and infrastructure sectors in Australia and New Zealand.

Waihanga Ara Rau could conduct analysis of Statistics New Zealand and ABS data to determine the extent of any gender pay gaps by occupation in New Zealand and Australia. This would be with a view to encouraging women to remain working in New Zealand and/or identifying a need to undertake sector-level work to reduce or remove gender pay gaps.

Facilitate ongoing sector-level discussions to address retention, including through educating the market

This research has indicated that there is potential for actors in New Zealand's construction and infrastructure sector to address a range of factors that are relevant to individuals' decisions to relocate to Australia. Some of these factors, including issues relating to work pipelines and the visibility of career progression pathways, are unlikely to be able to be addressed by individual industry associations and employers. Waihanga Ara Rau could facilitate ongoing discussions to address sector-level issues. These discussions will also support industry associations and employers to educate the market as to the extent of key differences between Australia and New Zealand.

Recommendations to industry associations and their members

This sub-section of the report sets out the recommendations to industry associations and their members.

Encourage, support, and conduct targeted recruitment from Australia

The research team recommends that industry associations encourage and support New Zealand employers to produce and distribute recruitment advertisements targeted at New Zealanders who are:

- working in Australia, and

- beginning to significantly value, or are already significantly valuing, the factors in which this research has demonstrated that New Zealand has an advantage over Australia.

To be most effective, it is likely that these advertisements will, to a degree, need to be tailored to the particular context of each employer, and the potential employees that the employer wants to access.

Therefore, industry associations have an opportunity to provide their member businesses with access to professional development focused on utilising relevant data to support their members to undertake recruitment of this nature and on utilising internet platforms (or other methods) to cost-effectively target these advertisements at individuals with certain characteristics.

Further, as this research has identified, repatriation of New Zealand's workforce is likely to benefit individual employers and the sector as a whole. Their potential employer and colleagues are likely to benefit from the skills and expertise gained from their time overseas. Communicating the likelihood of receiving these benefits to employers may incentivise employers to recruit in the fashion that the research team recommends.

Work with employers to create working conditions that are more attractive than Australia

As economic conditions are largely outside the control of, and create constraints on, industry associations and employers, the research team recommends that industry associations work with employers to identify practical opportunities to mitigate or remove negative disparities and increase positive disparities between New Zealand and Australia.

Mitigating negative disparities might include offering additional pay when employees are required to work overtime, or on weekends, and/or offering long-service leave based on the length of time an individual employee has been qualified. Increasing positive disparities might include structuring an employer's labour force to enable greater work-life balance for the employees who value that, while providing opportunities for other workers to work additional hours to earn additional income.

Encourage, support, and conduct informed negotiation with existing staff

This research has demonstrated that for many occupations, income disparities between New Zealand and Australia are relatively small. Further, the qualitative component of this research indicates that many individuals are likely to be operating under an inaccurate assumption (based on out-of-date understandings regarding relative incomes) that they can earn significantly more money in Australia, while working in conditions that are substantially the same.

The research team recommends that industry associations provide employers with professional development opportunities targeted at understanding how to identify what their employees value and how to leverage data to negotiate employment conditions that respond to those in Australia while not compromising the employers' businesses.

It is also likely that informed negotiation between employers and employees will contribute to educating the market as to the nature and extent of key differences between Australia and New Zealand.

Appendix A: Case studies

This section of the report sets out the participant case studies that were produced based on short interviews with individuals who had worked in the construction and infrastructure sectors and lived and worked in both New Zealand and Australia.

The case studies include key insights based on each participants' experience in Australia and New Zealand. They also set out a brief summary of why each participant left New Zealand, why they returned to New Zealand (if this occurred), key information relevant to comparing their experiences in Australia and New Zealand, and a summary of what participants considered need to change in New Zealand to make working in New Zealand more attractive.

Each case study provides insights from one person's experience of working in the construction and infrastructure sector in Australia and New Zealand. The views expressed in each case study are likely not representative of all experiences in the construction and infrastructure sector in Australia and New Zealand.

WAIHANGA ARA RAU
Construction and Infrastructure
Workforce Development Council

CASE STUDY:

Luke

45-50, Roofer

Key Insight/s:

- The higher cost of living in Australia means the difference in disposable income between New Zealand and Australia is negligible. The higher wages in Australia are also exaggerated, and the financial benefits of moving to Australia are lower than Luke anticipated.
- Commute times were substantially worse in Australian cities than in New Zealand cities.

Career path summary:

- Luke started his career in New Zealand.
- He moved to New South Wales and worked as a roofer for four years.
- Luke then moved back to New Zealand and continued to work in roofing, eventually working in management.
- Luke moved back to Australia for a further four years, working in cities in New South Wales, Tasmania, Victoria, and South Australia, later in his career.
- Luke is now back in New Zealand, working as a roofer.

Why they left New Zealand

Luke is a Kiwi roofer who has lived in Australia twice. He initially moved to Australia due to a sharp decline in available work in a major New Zealand city. He stated that the only work available at that time was roofing work at corrections facilities. After seeing an ad for work in New South Wales in a New Zealand newspaper, he decided to move to Australia. His second stint in Australia was to work in a specific management role at a friend's company.

Why they returned to New Zealand

Luke considered that drug use was a big cultural issue within the trades in Australia. Over time, he became sufficiently concerned with this to want to return to New Zealand.

Comparison of Australia with New Zealand

The first time Luke lived in Australia, he found that Australia had more employment benefits, including better overtime and weekend pay. Although the cost of living in a major Australian city was higher, he had more disposable income and a better lifestyle.

Luke found that the second time he moved to Australia, the take home pay was still better than back in New Zealand, however the cost of living had increased to a stage where the difference in take home pay did not result in much difference financially. Luke has friends who still live in Australia, who are paid the same as they would be in New Zealand, leading him to consider that the pay difference has become exaggerated. He noted that the market in Australia had changed following the COVID-19 pandemic, and reduced the benefits of moving.

Luke noted that, compared to New Zealand, the time commuting to work in major Australian cities, took up to four times longer. In Australia, Luke was travelling for up to two hours in the morning getting to work via public transport. Similarly, he found that although the pay was higher, in Australia you generally worked more hours so the work life balance was worse, compared to New Zealand.

Luke noted that over 50% of the younger roofers he works with wanted to move to Australia as a way of experiencing travelling while earning a good income.

What needs to change in New Zealand

Luke suggested a range of things that could be changed to encourage people, especially early career workers, to stay in New Zealand. He suggested:

- greater government funding for ongoing trades training
- increasing awareness of the opportunities for career progression in New Zealand, and of the different types of careers available, including contracting and management.

Disclaimer:

This case study provides insights from one person's experience of working in the construction and infrastructure sector in New Zealand and Australia. The views expressed in this case study are likely not representative of all experiences in the construction and infrastructure sector in New Zealand and Australia.

WAIHANGA ARA RAU
Construction and Infrastructure
Workforce Development Council

CASE STUDY:

Will

35-40, Electrician

Key Insight/s:

- While higher wages and a change in lifestyle in Australia meant that nothing would have kept Will in New Zealand when he moved in his 20's, Will would move back to New Zealand now if there were more work opportunities, and the pay was better.
- Will makes significantly more money as an electrician in Australia, largely due to the increased rates he gets from working overtime and weekends.

Career path summary:

- Will completed his electrical apprenticeship in New Zealand and worked as a sole trader for two years in the Waikato.
- Will moved to a major city in Western Australia, where he has lived and worked as an electrician for twelve years.

Why they left New Zealand

Better wages in Australia were the primary reason that Will moved to Australia, where he makes substantially more money than he did in New Zealand. Many of Will's friends had moved to Australia or had moved away from his city in New Zealand, encouraging him to do the same. Will knew some people in Australia prior to his move, including a few extended family members.

What could have kept them in New Zealand

Will noted that in Australia, there's a larger variety of work, especially working as an electrician in the mining and resourcing industry. He said that between the higher wages and change in lifestyle, there wasn't anything that would have kept him in New Zealand when he moved in his early 20s.

Comparison of Australia with New Zealand

Will was able to get a licence to work within Australia before he arrived. The certification process was simpler in Australia, with similar rules and regulations.

Will stated that the base pay is pretty similar between Australia and New Zealand. In Australia, the benefits such as overtime pay, which you receive after seven and a half hours, is better than in New Zealand. Similarly, weekend work is paid at time and half or twice the base rate in Western Australia which is not the case in New Zealand.

Will considered the cost of living in New Zealand and Australia to be comparable, but buying a house in Western Australia was more accessible than buying a house in many New Zealand cities.

Will noted that the wages for electricians in New Zealand had doubled in the last ten years. Will is unsure if he will stay in Australia permanently. Although the wages for electricians had increased in New Zealand, they did not meet what he was making in Australia.

Will would move back to New Zealand if there were more work opportunities and better pay in New Zealand.

What needs to change in New Zealand

The employment market in New Zealand needs to improve, providing more job options for electricians. Also, the cost of housing would need to be more comparable to Western Australia.

Disclaimer:

This case study provides insights from one person's experience of working in the construction and infrastructure sector in New Zealand and Australia. The views expressed in this case study are likely not representative of all experiences in the construction and infrastructure sector in New Zealand and Australia.

WAIHANGA ARA RAU
Construction and Infrastructure
Workforce Development Council

CASE STUDY:

Sarah

35-40
Project Manager

Key Insight/s:

- Women are generally treated better in New Zealand's construction industry than in Australia.
- Sarah moved back to New Zealand because she knew that less competition for roles in New Zealand meant that she had a good shot at a well-paid and fulfilling role in New Zealand, given the experience she gained in Australia.

Career path summary:

- Sarah went to university in New Zealand.
- Sarah moved to Australia twelve years ago and spent seven years in a large city in Victoria. She entered the construction industry in an office administration role and worked her way into a commercial construction project manager role while in Australia.
- Sarah moved back to New Zealand five years ago and continued to work in project management in construction.

Why they left New Zealand

Sarah moved to a large city in Victoria because she had friends living there and enjoyed living abroad. Sarah had previously lived and worked in the United Kingdom and wanted to continue living in a large metropolitan overseas city.

Why they moved back to New Zealand

Sarah moved back to New Zealand to be closer to friends and family after a substantial period of time overseas. Sarah chose to come back to New Zealand when she did as she knew she'd have a good shot at a well-paid and fulfilling role in New Zealand as there is less competition than there was in Australia. Sarah was confident that with the project management experience she'd gained in Australia, she'd be in a good position to get the type of role she wanted in New Zealand.

Comparison of Aus with New Zealand

Sarah worked primarily on mid-sized apartment construction projects, with budgets of $5 - $60 million in scale. Sarah rarely had to work outside her contracted hours and therefore had better work/life balance than in New Zealand. She also said the pay was noticeably better in Australia than in New Zealand.

Sarah highlighted the misogyny she experienced firsthand as a woman in Australia, and the racism she witnessed from some of her colleagues. Sarah said that in New Zealand, women are generally better treated in the construction industry. Sarah also said that the industry in New Zealand was much more laid back, particularly in the regions. She also noted that due to the differences in scale between New Zealand and Australia there are fewer layers of management which can mean less opportunities in New Zealand to maintain an upwards career trajectory.

What needs to change in New Zealand

Sarah identified that the following things would make working in New Zealand more attractive:

- Paying people more and valuing the work they do.
- Investing in the psychological safety of workers, particularly around harassment and neurodivergence.
- Adequate management training for managers – being a good 'doer' doesn't make someone a good manager.
- Providing better support for women once they have joined the construction and infrastructure sector beyond just supporting their entry into the sector.

Disclaimer:

This case study provides insights from one person's experience of working in the construction and infrastructure sector in New Zealand and Australia. The views expressed in this case study are likely not representative of all experiences in the construction and infrastructure sector in New Zealand and Australia.

WAIHANGA ARA RAU
Construction and Infrastructure
Workforce Development Council

CASE STUDY:

David

30-34, Builder

Key Insight/s:

- The longer hours some trades people work in Australia are not conducive to finding a partner or starting a family.
- Very little can be done to deter young tradespeople from moving to places like Australia when they want to work and travel outside of New Zealand.

Career path summary:

- David completed his building apprenticeship in New Zealand and spent two months working in a regional town before moving to Australia.
- David worked for seven years in Western Australia as a builder before moving back to New Zealand.
- David has been back in New Zealand for five years and has been working on the family dairy farm in the Waikato since he came home.

Why they left New Zealand

David had a number of friends moving to Australia around the time he did. He was motivated largely by the higher incomes on offer in Australia, particularly in Western Australia, where he ended up settling. David noted that the drive to live overseas and have the "tradie OE" experience, coupled with the support he received from friends also moving to Australia, was another reason to move when he did. David emphasised that he was ready to leave New Zealand for a different lifestyle regardless of any opportunities he might have had at home.

Why they moved back to New Zealand

David returned to New Zealand to settle down and reconnect with family. David was invited by his parents to join the family farming operation and he felt it was time to do so. David didn't have any dependants or a spouse when he moved home to New Zealand, but he now has a partner. He noted that in Australia, he was working long hours (as a FIFO worker) to make the most of the high wages, but this wasn't conducive to finding a partner or starting a family.

Comparison of Australia with New Zealand

David noted that as well as the hourly rate being higher in Australia, he was able to earn more overall as overtime, night, and weekend work was paid at a higher rate again. Due to his work schedule (FIFO) he would often work long hours over and above a standard 40-hour week.

David also noted that the working conditions were different in Australia to New Zealand. Notably, the weather was much hotter in Western Australia than it was in New Zealand. David said this was both a positive and negative: there were very few days that were cold or where work was called off due to rain (he worked outside), but also that the high summer heat could be challenging to work in. He noted that being rained off was more common in New Zealand (resulting in less paid work).

What needs to change in New Zealand

For David, the higher wages and overseas experience were the primary drivers for him moving to Australia. As such, wages would need to be substantially higher in New Zealand to compete with the drive young tradespeople have to travel and work while exploring another country.

Disclaimer:

This case study provides insights from one person's experience of working in the construction and infrastructure sector in New Zealand and Australia. The views expressed in this case study are likely not representative of all experiences in the construction and infrastructure sector in New Zealand and Australia.

WAIHANGA ARA RAU
Construction and Infrastructure
Workforce Development Council

CASE STUDY:

Xavier

40-45, Plumber

Key Insight/s:

- Xavier found that transferring his certifying plumber licence from Australia to New Zealand was very difficult, time-intensive, and expensive.
- Xavier noted that there is better job security in New Zealand than in Australia, where there is a more substantial culture of redundancies and short-term contracts.

Career path summary:

- Xavier started his plumbing qualification in New Zealand in the early 2000s.
- He then moved to Australia in 2004 and spent twelve years working around Australia in hydraulic plumbing. Xavier moved to Australia prior to finishing his qualification licence and finished his training in Australia. Whilst in Australia, he worked across cities in Queensland and in fly-in-fly-out (FIFO) mining communities in Western Australia.
- Xavier moved back to New Zealand eight years ago to set up his own plumbing business.

Why they left New Zealand

Living in rural New Zealand, Xavier wanted more industrial experience, and work on larger scale commercial builds. Xaiver stated that, even in major cities in New Zealand, high-rise builds were limited. He had heard from others that the pay was better in Australia, and the taxes lower, resulting in higher take home pay. He was encouraged by his employers at the time to move to Australia.

Why they returned to New Zealand

Xavier reached the top of the ladder in Australia and wanted to set up his own business. He also had young children and wanted them to experience daycare and school in New Zealand. Xavier noted that twelve years is a long time to be away and wanted to move back home to be closer to his family.

Comparison of Australia with New Zealand

Xavier gained a wide range of experience working on industrial builds in Australia, including in mining and resources for large commercial companies. Xavier considered that in Australia, he had a better quality of life compared to living rurally in New Zealand.

Xavier noted that although his hourly rates were similar in New Zealand and Australia, additional benefits, including penalty rates, were more common in Australia. He suggested that building in Australia was less expensive than building in New Zealand, including the cost of materials and adhering to regulations. He noted this aids higher profit margins that can then be spent on labour costs, leading to better pay for Australian plumbers.

Xavier considered transferring his certifying plumber licence from Australia to New Zealand to be very difficult. Despite an extra twelve years of experience in plumbing, he was required to spend nine months under a New Zealand certifying plumber to finish his certifying licence, as his completion in Australia was not deemed transferable.

Xavier noted that there is better job security in New Zealand than in Australia, where there is a more substantial culture of redundancies and short-term contracts. However, in New Zealand tradespeople are undervalued, leading to lower confidence in clients which keeps wages low.

What needs to change in New Zealand

Xavier had a range of insights into the difficulties experienced by people working in construction and infrastructure in New Zealand. Key changes he suggested to support the sector include:

- reducing the cost of materials in New Zealand which would reduce the overall cost of the build, enabling better wages for workers
- increase public/perceived value of tradespeople to boost wages
- streamline inspection, consent and regulatory compliance to reduce overheads.

Disclaimer:

This case study provides insights from one person's experience of working in the construction and infrastructure sector in New Zealand and Australia. The views expressed in this case study are likely not representative of all experiences in the construction and infrastructure sector in New Zealand and Australia.

WAIHANGA ARA RAU
Construction and Infrastructure
Workforce Development Council

CASE STUDY:

Campbell

30-35, Builder

Key Insight/s:

- Campbell noted difficulty in finding good building work in the major Western Australian city he lived in as the market was more competitive.
- For Campbell, the cost of living was comparable between New Zealand and Australia, including rent and utilities.
- A change in lifestyle and desire to explore the world was the biggest motivator for Campbell to move to Australia.

Career path summary:

- Campbell is a dairy farmer who previously worked as a builder in New Zealand.
- Three years after completing his building apprenticeship in New Zealand, Campbell moved to a major city in Western Australia for five years. Campbell worked for some time as a fly-in-fly-out (FIFO) worker, based out of a major city in Western Australia. Campbell worked as a builder but also worked in more general labouring roles during his time in Western Australia.
- After five years, Campbell returned to New Zealand where he changed career paths and went into farming on his family dairy farm.

Why they left New Zealand

Campbell, a Kiwi builder, moved to Australia for better pay and a more favourable lifestyle. He moved to Australia on his own, and did not have any contacts in Australia before he left. Cambell emphasised that the change in lifestyle and desire to explore the world was the biggest motivator for moving.

Why they moved back to New Zealand

Campbell moved back to New Zealand with his partner due to a health scare, and because he had a baby on the way. His FIFO work in Western Australia did not have adequate work life balance. He would consider moving back to another Australian state such as Tasmania, where his partner is from.

Comparison of Australia with New Zealand

For Campbell, the cost of living was comparable between New Zealand and Australia, including rent and utilities. Key building tools to use on the job were generally cheaper in Australia.

Although the pay was better in Australia, Campbell noted difficulty in finding good building work in the major Western Australian city he lived in as the market was more competitive. As such, he ended up working in lower-skilled jobs for some time including as a mover and as a labourer. Campbell said this didn't have a major impact as he was still able to earn a higher wage from these 'lower-skilled' jobs in Western Australia than he did as a builder in New Zealand.

He would consider moving back to Australia, to another state such as Tasmania, to work in construction. However, his farming work provides a good lifestyle fit for him and his family.

What needs to change in New Zealand

Campbell considered that increasing wages (through base salaries and/or 'top-ups') was a key way to increase worker retention in New Zealand.

Disclaimer:

This case study provides insights from one person's experience of working in the construction and infrastructure sector in New Zealand and Australia. The views expressed in this case study are likely not representative of all experiences in the construction and infrastructure sector in New Zealand and Australia.

WAIHANGA ARA RAU
Construction and Infrastructure
Workforce Development Council

CASE STUDY:

Alex

35-40, Project Manager

Key Insight/s:

- Alex found the cost of living to be higher in Australia than in New Zealand.
- Alex highlighted that the job markets for project management and drywalling have become more competitive in Australia over time, reducing the availability of jobs.

Career path summary:

- Alex trained as a drywaller in California and moved to New Zealand for five years.
- Following his time in New Zealand, Alex and his family (wife and three children) moved to, and currently reside in, a regional city in Queensland. Alex works as a drywalling project manager for residential and commercial works.

Why they left New Zealand

Alex left New Zealand after friends recommended moving to Australia. Alex was motivated by a larger job pool and more opportunities for career advancement in Australia. He had seen a friend's career progress after moving to Australia and wanted to follow in his footsteps.

Comparison of Australia with New Zealand

Alex has benefitted from better pay in Australia as a drywaller. However, Alex said that the cost of living is higher in Australia and that the market for work in Australia has become more competitive over time, reducing the availability of jobs in the market.

Alex and his family have noted that Australians are friendly, and they enjoy living within their community. He also noted that accessing Medicare, and healthcare, was beneficial, and easy.

Alex prefers the Australian climate to New Zealand and that the longer days allow for more overtime opportunities in Australia, leading to better overall pay.

Alex noted that project managers in Australia are generally better paid than those in New Zealand.

Alex stated that accessing a visa to emigrate from New Zealand to Australia as a New Zealand resident (but not citizen) was challenging, which he did not anticipate. He noted that if he had come straight from California, accessing a visa would have been easier for him and his family.

Alex noted that he was supported and encouraged by his Australian employer to continue formal off-site training and upskilling while working. He said that he hadn't investigated whether he could study whilst working in New Zealand, but that he wasn't aware of anyone else doing this.

What needs to change in New Zealand

Alex noted that if there was higher demand for drywall and project management workers in New Zealand, he would move back.

Disclaimer:

This case study provides insights from one person's experience of working in the construction and infrastructure sector in New Zealand and Australia. The views expressed in this case study are likely not representative of all experiences in the construction and infrastructure sector in New Zealand and Australia.

WAIHANGA ARA RAU
Construction and Infrastructure
Workforce Development Council

CASE STUDY:

Shane

45-50, Builder

Key Insight/s:

- There are limited career progression opportunities for builders at the intermediate to senior level in New Zealand, particularly in residential building. Tradespeople move to Australia as there are more opportunities at that level, without having to own a business.
- The lack of regulation in New Zealand means that competent builders are undercut by "cowboys", putting a downward pressure on wages.

Career path summary:

- Shane qualified as a builder and worked in New Zealand for three years before moving to Australia.
- Shane moved to Australia for four years, working as a builder and progressed to roles in management.
- Since returning to New Zealand, Shane has worked his way up to becoming a construction manager.

Why they left New Zealand

Shane moved to Australia due to the career progression opportunities in Australia. At the time of his move, he felt that becoming a business owner was the best way to progress his career in New Zealand. However, he didn't find being a business owner desirable at that time. However, in Australia there was a wide range of 'intermediate' roles available in the residential building space, so moving to Australia to work in these roles was a way to continue to progress in his career.

Shane also had friends who had moved to Australia to work as sole traders who encouraged him to move due to better pay.

Why they returned to New Zealand

Shane returned to New Zealand to support his ageing parents, and to have better family support for his young family.

Shane wants to move back to Australia. However, family commitments and the impacts of the COVID-19 pandemic have kept him in New Zealand.

Comparison of Australia with New Zealand

Shane considered that career progression opportunities in Australia were better in carpentry, both on the tools and in management. Shane's view was that the scale of the industry in New Zealand does not enable the same breadth of roles as in Australia.

Shane noted that the cost of materials was a lot higher in New Zealand than they are in Australia, which he considered contributed to lower incomes for tradespeople in New Zealand.

What needs to change in New Zealand

Shane recommended that building in New Zealand could be regulated to improve prospects for Kiwi builders. He stated that builders are undervalued in comparison to plumbers and electricians as they have a licensing and regulation scheme which supports public confidence. He suggested that New Zealand should introduce a licensing and regulation scheme for builders in New Zealand, to prevent low-skilled workers undercutting competent builders, increasing incomes.

Disclaimer:

This case study provides insights from one person's experience of working in the construction and infrastructure sector in New Zealand and Australia. The views expressed in this case study are likely not representative of all experiences in the construction and infrastructure sector in New Zealand and Australia.