

The New Zealand Tech Sector – Key Metrics

2019 Update

Creating a prosperous
New Zealand underpinned
by technology.



DIGITAL NATION NEW ZEALAND

*From Tech Sector
to Digital Nation*

INTRODUCTION
*Towards a
Digital Nation*



Introduction

With the rapidly changing pace of technology, most people are unaware of the exponential impact many technologies are having throughout society.

As the voice of the technology ecosystem, in 2016 NZTech set about finding out just how important technology is for New Zealand. Without an answer there is serious risk that as a country we will miss opportunities for both economic growth and social improvement.

While growth in tech exports will continue to be significant for New Zealand's economy, the social and economic gains that technology can enable are so vast that we believe more focus should be placed on the importance of technology for New Zealand.

Access the full report for free at:
www.nztech.org.nz/resources/reports

The 2016 study was titled “Digital Nation New Zealand, from tech sector to digital nation”. The aim of this research was to deepen understanding and discussions about the benefits technology brings and the role that it could play in redefining the New Zealand we live in.

The study defined and sized the broader technology sector, the jobs it creates, the export earnings it contributes and the positive role that technology plays in other parts of the economy and society as a whole.

This summary document provides updated key metrics for the New Zealand Tech Sector for 2019. It is complemented with information from other studies to provide a single source of key metrics about the New Zealand Tech Sector.



DIGITAL NATION NEW ZEALAND

*From Tech Sector
to Digital Nation*

The Tech Sector // economic impact

New Zealand's
Tech Sector

2019

21,870

companies

Source: Statistics NZ

New Zealand's
Tech Sector

2019

114,450

employees

Source: Statistics NZ

New Zealand's
Computer Services
companies invested

2019

\$748m

in R&D

Source: Statistics NZ

NZ's Top 200
Tech Exporters
invested

2019

\$1.3b

in R&D

Source: TIN Report 2019

New Zealand's
Tech Sector
creates

2019

2,910

new jobs a year
(on average over 5 years)

Source: Statistics NZ

Each new
Tech Sector
job creates

2019

5 new jobs
in other sectors

Source: NZTech Digital Nation Report, 2016

New Zealand's
Tech Sector
contributes

2019

8%

to GDP

Source: NZTech Digital Nation Report, 2016

Each 4% growth
in Tech Sector
productivity creates

2019

\$2.7b

additional GDP

Source: NZTech Digital Nation Report, 2016

The Tech Sector // exports

New Zealand's
Tech Sector
exported

2019

\$7.4b

globally

Source: Statistics NZ

New Zealand's
Tech Sector
exports grew

2019

5.4%

year on year

Source: Statistics NZ

NZ's Top 200
Tech Exporters
overseas sales

2019

\$8.7b

*(some of which stays offshore so
not counted by Treasury as exports)*

Source: TIN Report 2019

NZ's Top 200
Tech Exporters
overseas sales grew

2019

11.3%

year on year

Source: TIN Report 2019

NZ's Top 200
Tech Exporters
created

2019

\$12.1b

annual revenues

Source: TIN Report 2019

NZ's Top 200
Tech Exporters
revenues grew

2019

10.2%

year on year

Source: TIN Report 2019

New Zealand's
ICT
exports grew

2019

19%

year on year

Source: Statistics NZ

New Zealand's
Hi-Tech Manuf.
exports grew

2019

1%

year on year

Source: Statistics NZ

The Tech Sector // employment

New Zealand's
Tech Sector

2019

114,450

employees

Source: Statistics NZ

New Zealand's
Tech Sector
employs

2019

5%

of the New Zealand
workforce

Source: Statistics NZ

New Zealand's
Tech Sector
median base salary

2019

\$92,000

per annum

Source: Absolute IT Survey 2019

New Zealand's
Tech Sector
median start salary

2019

\$52,000

per annum

Source: Absolute IT Survey 2019

NZ's Top 200
Tech Exporters
employ

2019

51,569

people globally

Source: TIN Report 2019

NZ's Top 200
Tech Exporters
employees grew

2019

7.9%

year on year

Source: TIN Report 2019

Half of
New Zealand's
Tech Sector

2019

51.5%

work in Auckland

Source: Statistics NZ

New Zealand's
Tech Sector
created

2019

476

new jobs in the
regions

Source: Statistics NZ

The Tech Sector // opportunities

New Zealand's
Agritech sector
revenues growing

2019

6.3%

a year (5 year CAGR)

Source: TIN Report 2019

New Zealand's
Healthtech sector
revenues growing

2019

9.1%

a year (5 year CAGR)

Source: TIN Report 2019

New Zealand's
Fintech sector
revenues growing

2019

35.7%

a year (5 year CAGR)

Source: TIN Report 2019

New Zealand's
Digital Media
revenues growing

2019

16.8%

a year (5 year CAGR)

Source: TIN Report 2019

Better use of
agritech on NZ
farms worth

2019

\$9.3b

increased GDP

Source: Aotearoa Agritech Unleashed, 2020

Better use of
Internet Services
worth

2019

\$34b

increased GDP

Source: NZTech Digital Nation Report, 2016

Better use of
Internet of Things
worth

2019

\$2.2b

increased GDP

Source: Accelerating a Connected NZ, 2017

Better use of
Artificial
Intelligence worth

2019

\$54b

increased GDP

Source: Shaping a Future NZ Report, 2018

The Tech Sector // education

Full-time
Computer Science and
Information Technology
students

2019

8,605

in New Zealand

Source: Education Counts 2019

Full-time
Computer Science and
Information Technology
students

2019

24.6%

female

Source: Education Counts 2019

Full-time
Computer Science and
Information Technology
students

2019

10.1%

Māori

Source: Education Counts 2019

Full-time
Computer Science and
Information Technology
students

2019

7.7%

Pacific peoples

Source: Education Counts 2019

New Zealand's
ICT Grad Schools
together created

2019

255

Advanced Tech Graduates

Source: ICT Grad Schools (combined), 2019

Summer of Tech
Interns
registered

2019

2,699

Source: Summer of Tech, 2019

Summer of Tech
Interns
placed

2019

352

Source: Summer of Tech, 2019

Tech Sector
Interns
average wage

2019

\$23.67/hr

during Summer of Tech
placement

Source: Summer of Tech, 2019

#techsector – firms


2019

21,870
Firms

555

New
Companies

Source: Statistics NZ, 2020



3%

The tech sector created 555 new companies in New Zealand in 2019, up 3% from 2018.

80% of the new tech companies created in 2019 were ICT firms, predominantly computer system and design companies.

There were 420 new software development and IT services firms created in 2019.

#techsector – jobs

2019

114,450
Employees

2,148

New
Jobs

Source: Statistics NZ, 2020



2%

The tech sector created 2,148 new jobs in New Zealand in 2019, up 2.1% from 2018.

60% of these new jobs were created by computer system and design companies such as Xero and Datacom.

ICT companies have been creating 2,000 new jobs a year on average for the past 10 years.



DIGITAL NATION NEW ZEALAND

*From Tech Sector
to Digital Nation*

#techsector – exports

2019

\$7.4 b
Exports

\$374m

New
Exports

Source: Statistics NZ, 2020

↑
5%

The tech sector exported \$7.4 billion of good and services from New Zealand in 2019, up 5.4% from 2018.

71% of these exports were created by high tech manufacturing companies, such as Fisher & Paykel Healthcare

However high tech manufacturing exports have been declining 1% a year for the past 5 years whereas **ICT exports are growing at a 15% CAGR.**

#techsector – top 200 tech exporters - revenues

2019

\$12.1 b
Revenues

\$1.1 b

Annual
Growth

Source: TIN Report, 2019



10.2%

The revenues of the largest 200 tech exporters reached \$12.1 billion in 2019, creating over \$1 billion, or 10.2% growth from 2018.

The revenues of ICT firms in the top 200 grew at a rate of **15.9%**. High tech manufacturers revenues grew **7%** and biotech firms **6%**.

Fintech was the fastest growing part of the tech sector with revenue growth of **26.9%** or \$241 million of new revenues in 2019.

#techsector – top 200 tech exporters – offshore sales

2019

\$8.7 b
Revenues

\$882m

Annual
Growth

Source: TIN Report, 2019



11.3%

The international sales of New Zealand's top 200 tech exporters grew 11.3% to \$8.7 billion, bringing in an additional \$882 million in sales in 2019.

The top 200 tech exporters often have offshore offices and factories, that don't appear in the export numbers. For example, Fisher and Paykel Healthcare manufacture some of their product in Mexico and ship directly to the United States of America. While this is not considered exporting, it is still great business as the profits flow back to New Zealand.

Each **4%** growth
in Tech Sector productivity
Creates **1%** growth
across the Economy

Worth
\$2.7b
for every
4% growth

Source: NZIER 2016

#techsector – firms by region

	High Tech Manufacturing Firms	Percent of High Tech Manufacturing Firms	ICT Firms	Percent of ICT Firms	Total Tech Sector Firms	Percent of Total Tech Sector Firms	New Tech Firms Created in 2019
Northland	257	2.9%	161	1.2%	419	1.9%	11
Auckland	3,452	39.3%	6,255	47.8%	9,707	44.4%	255
Waikato	829	9.4%	569	4.3%	1,398	6.4%	28
Bay of Plenty	594	6.8%	419	3.2%	1,013	4.6%	-3
Gisborne	28	0.3%	28	0.2%	57	0.3%	-6
Hawke's Bay	306	3.5%	187	1.4%	492	2.3%	17
Taranaki	221	2.5%	116	0.9%	337	1.5%	6
Manawatu-Wanganui	388	4.4%	204	1.6%	591	2.7%	3
Wellington	617	7.0%	3,559	27.2%	4,176	19.1%	195
Tasman	99	1.1%	74	0.6%	173	0.8%	3
Nelson	141	1.6%	113	0.9%	255	1.2%	3
Marlborough	130	1.5%	40	0.3%	170	0.8%	-11
West Coast	59	0.7%	14	0.1%	74	0.3%	0
Canterbury	1,160	13.2%	1,021	7.8%	2,181	10.0%	40
Otago	331	3.8%	283	2.2%	614	2.8%	8
Southland	170	1.9%	45	0.3%	215	1.0%	6
	8,782		13,088		21,870		555

Source: Geographic units/Employment by region and industry 2000-19, Statistics NZ, 2020



DIGITAL NATION NEW ZEALAND

*From Tech Sector
to Digital Nation*

#techsector – employment by region

	High Tech Manufacturing Employment	Percent of High Tech Manufacturing Employment	ICT Employment	Percent of ICT Employment	Total Tech Sector Employment	Percent of Total Tech Sector Employment	New Tech Jobs Created in 2019
Northland	1,007	1.6%	172	0.3%	1,180	1.0%	27
Auckland	31,788	49.1%	27,167	54.6%	58,954	51.5%	1,145
Waikato	5,324	8.2%	1,757	3.5%	7,081	6.2%	208
Bay of Plenty	3,415	5.3%	623	1.3%	4,037	3.5%	93
Gisborne	202	0.3%	46	0.1%	248	0.2%	-8
Hawke's Bay	1,105	1.7%	478	1.0%	1,583	1.4%	112
Taranaki	1,456	2.3%	279	0.6%	1,735	1.5%	3
Manawatu-Wanganui	2,218	3.4%	385	0.8%	2,603	2.3%	-32
Wellington	3,771	5.8%	12,051	24.2%	15,822	13.8%	436
Tasman	275	0.4%	65	0.1%	340	0.3%	21
Nelson	842	1.3%	238	0.5%	1,080	0.9%	8
Marlborough	431	0.7%	45	0.1%	476	0.4%	-1
West Coast	165	0.3%	13	0.0%	178	0.2%	23
Canterbury	10,393	16.1%	5,526	11.1%	15,919	13.9%	101
Otago	1,619	2.5%	799	1.6%	2,418	2.1%	21
Southland	674	1.0%	122	0.2%	796	0.7%	-7
	64,684		49,766		114,450		2,148

Source: Geographic units/Employment by region and industry 2000-19, Statistics NZ, 2020



DIGITAL NATION NEW ZEALAND

*From Tech Sector
to Digital Nation*

#techsector – definitions

	[Med] High Tech Manufacturing	High Tech Manufacturing	Knowledge Intensive Services
The New Zealand Tech Sector	Chemical and chemical product manufacturing eg. Nuplex, Zelam, Arotec Motor vehicle and parts manufacturing eg. Designline Machinery and equipment manufacturing eg. Glidepath, Scott Technology, Compac Sort, Wellington Drive, F&P Appliances Adhesive manufacturing	Aircraft manufacturing eg. Pacific Aerospace Pharmaceutical and medicinal manufacturing eg. PharmaZen, Argenta Medical and surgical equipment manufacturing eg. F&P Healthcare Photographic and optical equipment manufacturing	Not Included: Professional, scientific and technical services; Rental and hiring services; Employment and admin services; Postal and courier services; Financial and insurance services, Internet publishing and other information services
	Electrical cable and wire manufacturing eg. General Cable Superconductor Wholesaling of ICT goods eg. Duo, Ingram Micro	Communication equipment manufacturing eg. Tait Communications Computer and electrical equipment manufacturing eg. ERoad DynamicControls Other electronic equipment manufacturing eg. Rakon Other professional and scientific equipment manufacturing eg. AD Instruments	Telecommunications services eg. Spark, Vodafone, M2, Chorus Computer system design services eg. Datacom, Xero, IBM, Microsoft, Orion Software Publishing eg. Pingar Internet service providers, web search portals and data processing services eg. Revera Now

Source: Adapted from OECD and MBIE sector reports

Tech Sub-Sectors	ANZSIC Code	Categories	Examples
ICT	J580	Telecommunications services	Spark, Vodafone, 2Degrees, M2, Chorus
	M700	Computer systems design	Datacom, Xero, IBM, Microsoft, Orion Health, Fronde, GeoOp, Wynyard, PartsTrader, Serko
	J542	Software publishing	Pingar
	J591	Internet service providers & web search portals	Now, Inspire.net
	J592	Data processing services	Revera, Getrack
	F349	Wholesaling of ICT goods	Ingram Micro, Duo
High-tech Manufacturing	C242	Computer & electronic equipment manufacturing	ERoad, Novel Ways, Smartrak, Dynamic Controls
	C2422	Communication equipment manufacturing	Tait Communications
	C2429	Other electronic equipment manufacturing	Rakon
	C241	Professional & scientific equipment manufacturing	AuCom, F&P Healthcare, AD Instruments, Atrak
	C243	Electrical equipment manufacturing	Wellington Drive
	C239	Aircraft manufacturing & repair	Pacific Aerospace
	C184	Pharmaceutical & medicinal product manufacturing	PharmaZen, Argenta
	C244	Domestic appliance manufacturing	F&P Appliances
	C181	Basic chemical & chemical product manufacturing	Nuplex, Zelam, Arotec Diagnostics, Skinfood
	C245	Specialised machinery & equipment manufacturing	Glidepath, Scott Technology, Compac Sort, Skope
	C246		
	C249		
	C231	Motor vehicle & other transport manufacturing	Designline, Hamilton Jet
	C239		

Source: adapted from MBIE Sector Reports