

ANZ NEW ZEALAND JOB ADS WELLINGTON GETS ITS BOOTS ON

Data for August 2016,
released 16 September 2016

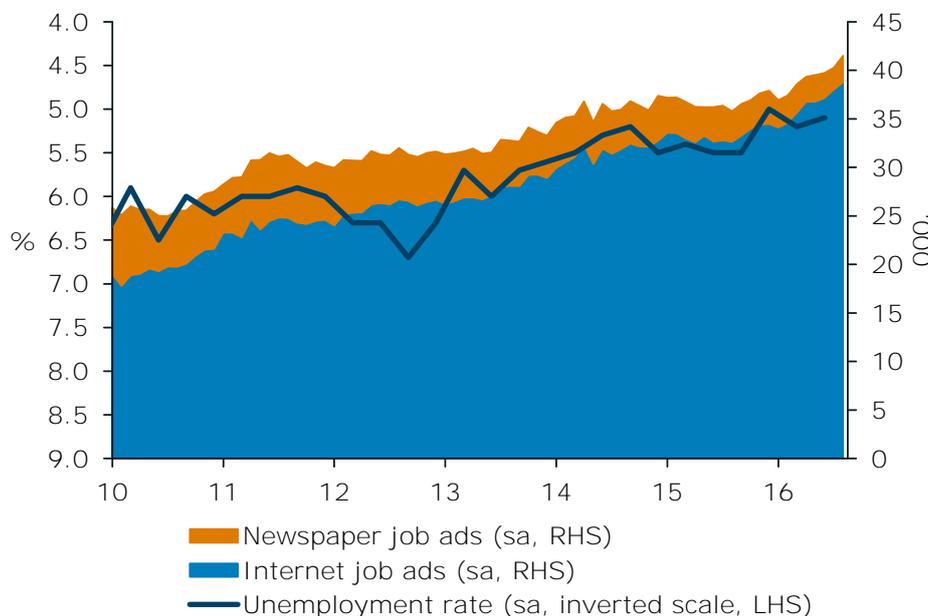
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SUMMARY

- Job ads rose 3.1% in August (seasonally adjusted) – the seventh consecutive monthly lift – to be 12.1% higher than a year ago (3-month average). **That’s a sign of a strong labour market.**
- Internet job advertising lifted 2.0% in August (sa), while newspaper job advertising, which is much more volatile amidst a declining trend, rose 22.0% m/m (sa).
- Auckland job ads are 14.1% higher than a year ago, and Wellington job ads are up 11.5% y/y in what has been quite a spectacular turnaround in 2016. The slowdown in the rebuild effort continues to weigh on the Canterbury labour market, with job ads 8.8% lower than a year ago (3-month average).
- Less urbanised regions continue to experience very strong growth in labour demand. Annual job ad growth in **the Waikato is 21.9%, Hawke’s Bay +21.0%, Manawatu 16.6%, and Otago 15.3% y/y. That’s a sign of broad-based growth across the economy.**
- Employment demand is clearly strengthening rapidly. Despite solid growth in labour supply, skill shortages are set to become an increasing challenge for businesses.

FIGURE 1. JOB ADS AND THE UNEMPLOYMENT RATE



Source: ANZ, Statistics NZ, Seek, Trade Me, Dominion Post, Hawke’s Bay Today, Manawatu Standard, NZ Herald, ODT, The Press, Waikato Times

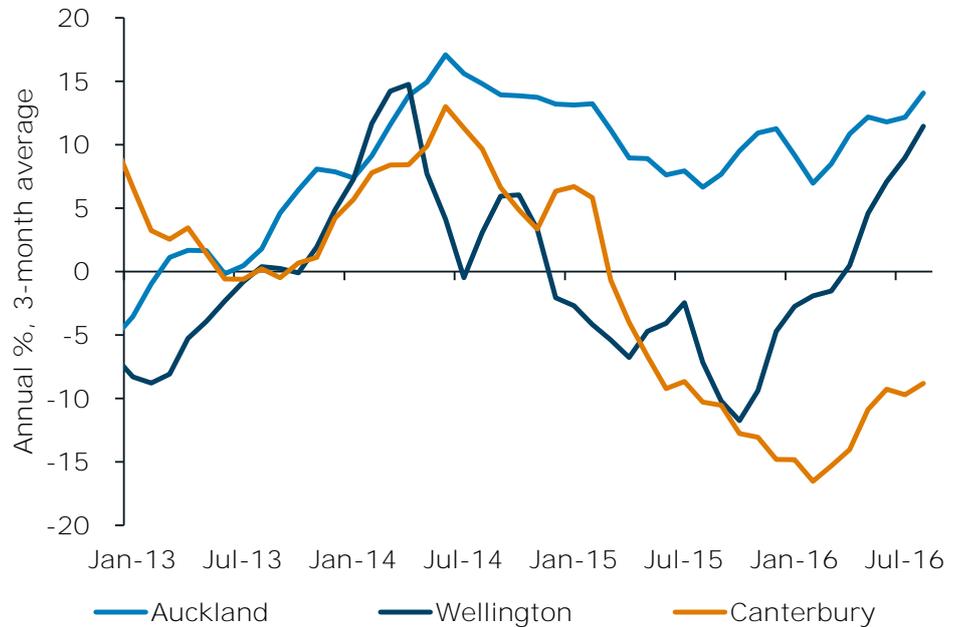
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Total job advertising rose a further 3.1% in August (seasonally adjusted), its seventh consecutive increase. On a rolling 3-month average basis, job ads growth is back in double-digits territory for the first time since 2014, up 12.1% versus a year ago.

Nationwide internet job advertising lifted 2.0% m/m (sa) in August, and annual growth (3-month average) in online ads is 16.0%. **Newspaper job advertising is much more volatile. Despite lifting 22% m/m, it continues to trend lower.**

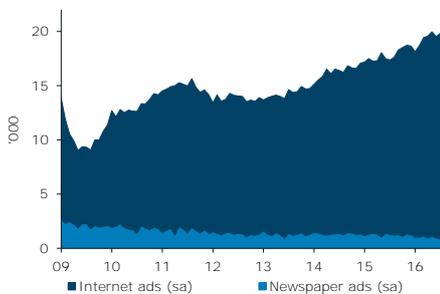
Turning first to the main centres, **Canterbury job ads remain weakest but the decline is slowing** (-8.8% y/y). Auckland job ads are 14.1% higher than a year ago, the strongest growth in two years, while **Wellington job ads growth continues to play catch-up from prior underperformance, up 11.5% y/y** (all 3-month average).

FIGURE 2. ANNUAL TOTAL JOB AD GROWTH IN THE MAIN CENTRES (3-MONTH AVERAGE)



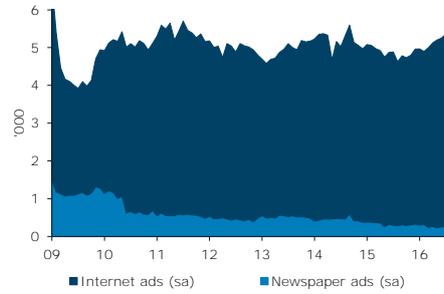
Source: ANZ, Seek, Trade Me, Dominion Post, NZ Herald, The Press

FIGURE 3. AUCKLAND JOB ADS



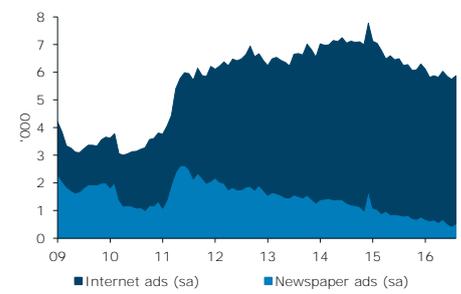
Source: ANZ, Seek, Trade Me, NZ Herald

FIGURE 4. WELLINGTON JOB ADS



Source: ANZ, Seek, Trade Me, Dominion Post

FIGURE 5. CANTERBURY JOB ADS

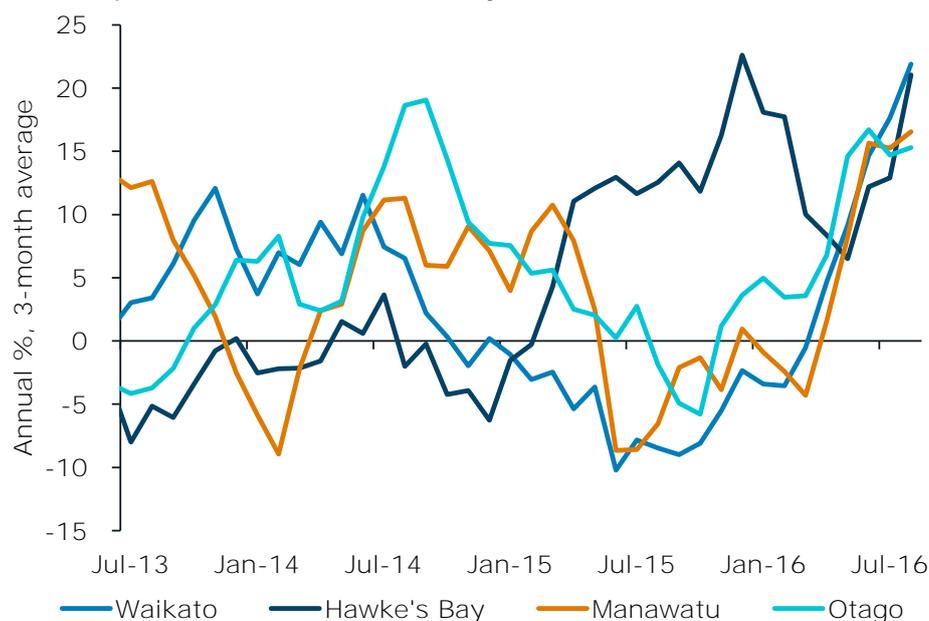


Source: ANZ, Seek, Trade Me, The Press

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As has been the case for several months now, **job ads growth in the less urbanised regions is very strong**. It is quite remarkable that job ads in the Waikato have the highest growth rate in the country, up 21.9% y/y despite the dairy downturn. **Hawke's Bay is not far behind at 21.0%**; **Manawatu is more than respectable at 16.6%**; and Otago job ads growth is 15.3% y/y (all 3-month average).

FIGURE 6. ANNUAL TOTAL JOB AD GROWTH IN THE REGIONS (3-MONTH AVERAGE, NON-SEASONALLY ADJUSTED)



Source: ANZ, Waikato Times, Hawke's Bay Today, Manawatu Evening Standard, Otago Daily Times, Seek, Trade Me

It is notable that such strong labour demand is not translating into strong wage growth, yet. Very strong growth in labour supply (both net migration and a high labour force participation rate) is part of the story, but the feedthrough from weak headline CPI outturns will also no doubt be a factor. Real wage growth has been modest to date but is expected to accelerate as strong labour demand forces more competition for skilled labour.

Newspaper Ads	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	
Actual	3,206	3,050	2,691	2,821	2,615	2,442	2,515	
Seas adj	2,831	2,940	2,579	2,752	2,580	2,251	2,747	
Monthly % change (sa)	0.1	3.8	-12.3	6.7	-6.3	-12.7	22.0	
Annual 3mma % chg (non-sa)	-23.8	-22.6	-24.9	-20.4	-22.1	-24.6	-26.9	
Internet Ads								
Actual	36,608	38,281	36,829	38,418	38,339	39,972	40,514	
Seas adj	34,568	35,619	36,752	36,763	37,149	38,017	38,760	
Monthly % change (sa)	1.4	3.0	3.2	0.0	1.1	2.3	2.0	
Annual 3mma % chg (non-sa)	3.4	4.6	8.0	10.5	12.4	13.3	16.0	
Total								
Actual	39,814	41,331	39,520	41,239	40,954	42,413	43,029	
Seas adj	37,399	38,559	39,331	39,515	39,728	40,268	41,507	
Monthly % change (sa)	1.3	3.1	2.0	0.5	0.5	1.4	3.1	
Annual 3mma % chg (non-sa)	0.4	1.7	4.6	7.6	9.1	9.8	12.1	

Source: ANZ, NZ Herald, Dominion Post, The Press, Waikato Times, Hawke's Bay Today, Manawatu Standard, Otago Daily Times, SEEK, Trade Me.

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