

ANZ NEW ZEALAND JOB ADS

Data for March 2017,
released 5 April 2017

CONTACTS

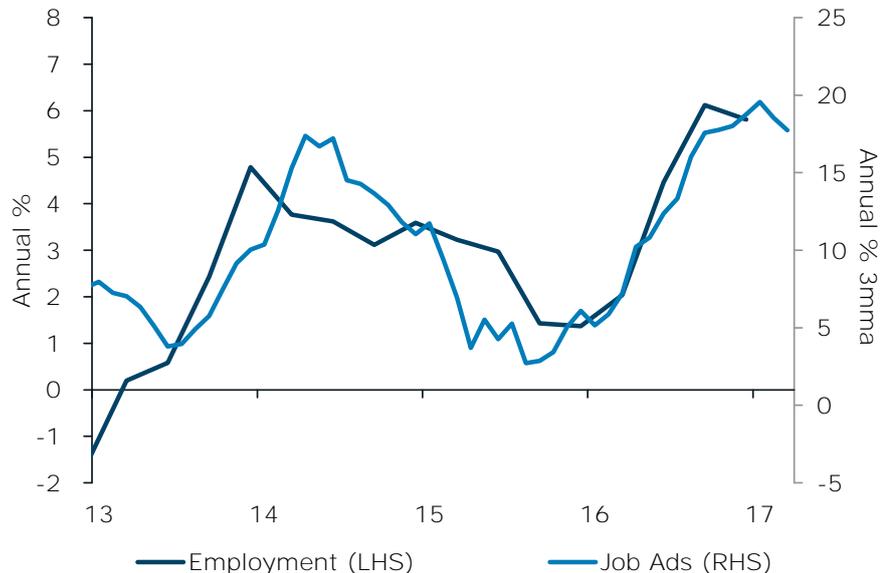
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REGIONAL RENAISSANCE

SUMMARY

- ANZ job ads lifted 1.6% in March (seasonally adjusted), on top of a small increase in February. Job ads are 17.7% higher than a year ago (3-month average).¹
- The ongoing high level of job ads indicates a strong labour market, though the pace of growth has flattened off recently.
- Auckland remains the strongest of the main centres in annual growth terms, with the seasonally adjusted monthly number of job ads bouncing 2.5% to a fresh high after three months of falls. Wellington job ads growth is slowing, though the level continues to rise, while Canterbury job ads have oscillated around the 5,000 mark for the last 18 months.
- The regions continue to lead the charge. Every single one of the 11 less-urbanised regions is experiencing stronger annual job ad growth than any of the three main centres.
- The construction, utilities, manufacturing and transport sector remains the largest sectoral driver of total job ads growth. The service sector is also contributing strongly.
- The current strength of labour demand flags unemployment heading under 5% later this year, with accompanying modestly stronger wage growth.

FIGURE 1. ANZ JOB ADS AND EMPLOYMENT GROWTH



Source: ANZ, Statistics NZ, Seek, Trade Me

¹ Because newspaper ads have become such a small proportion of the market, we now exclude them from our job ads measure. However, they are present in the data before mid-2007. Details on how the historical phase-out was implemented (and the revised historical data) are available on request.

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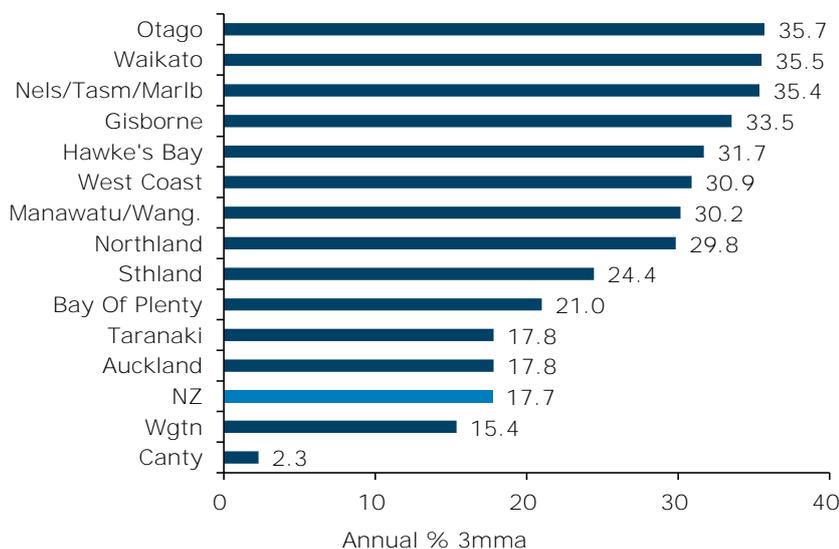
ANZ job ads rose 1.6% in March (seasonally adjusted), following a 0.4% lift in February. On a rolling 3-month average basis, job ads are up 17.7% from a year ago. Annual growth now appears to have peaked, but the level of job ads hit a new high.

A flattening off in job ads growth is consistent with our view that the economic cycle is maturing, implying slower growth off strong levels. Slower growth may reflect not only a flattening off in labour demand at high levels, but also employers “giving up” on attracting quality candidates (reducing their appetite to advertise). Firms report finding staff is a major constraint on growth at present.

Auckland is the strongest of the main centres, with job ads 17.8% higher than a year ago, consistent with the national average. Whether the glass is half full or half empty is in the eye of the beholder: seasonally adjusted Auckland job ads have fallen in three of the past four months (up just 1.1% 3m/3m), but are at fresh highs. **Wellington job ads are flattening after a period of strong growth** (+2.6% 3m/3m, +15.4% y/y). **Canterbury job ads continue to reflect the slowing quake rebuild effort**, though they did lift a decent 2.9% in March (-1.3% 3m/3m, +2.3% y/y) (all 3m average).

Our largest cities are being outclassed by the regions. All of the 11 less-urbanised regions are experiencing stronger annual job ad growth than any of the three main centres (figure 2). Otago and Waikato job ads are up 36% on a year ago.

FIGURE 2. ANNUAL JOB AD GROWTH BY REGION (3-MONTH AVERAGE)



Source: ANZ, Seek, Trade Me

FIGURE 3. AUCKLAND JOB ADS

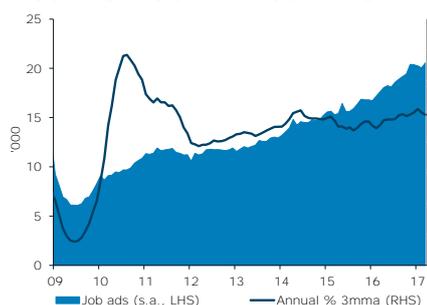


FIGURE 4. WELLINGTON JOB ADS

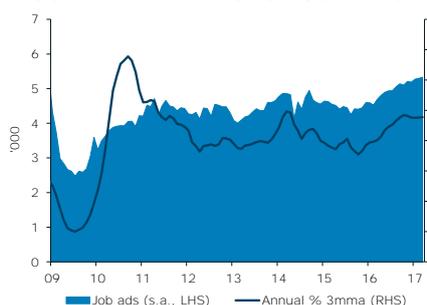
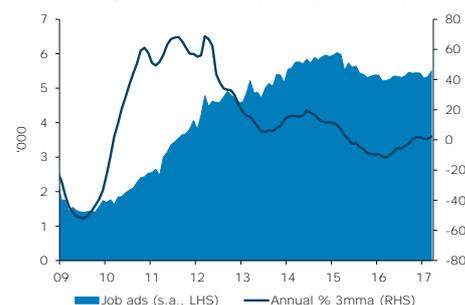


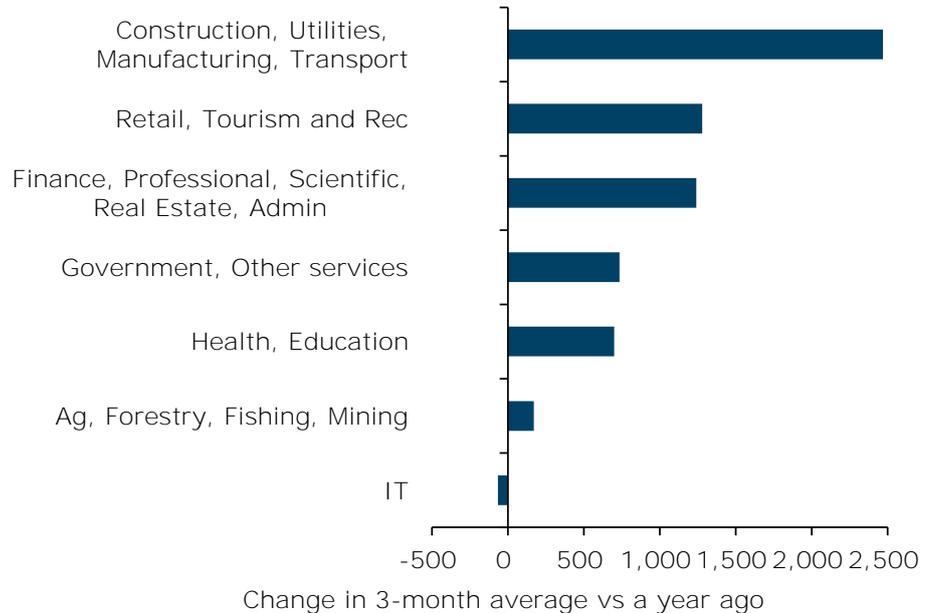
FIGURE 5. CANTERBURY JOB ADS



ANZ NEW ZEALAND JOB ADS

The construction, utilities, manufacturing and transport sector

continues to lead the charge with the largest annual growth in job ads (figure 6). The fall in IT sector job ads may be influenced by a shift in job advertising to more specialised websites that our index does not capture.

FIGURE 6. ANNUAL JOB AD GROWTH BY SECTOR (3-MONTH AVERAGE)

Source: ANZ, Seek, Trade Me

The level of job ads continues to increase, just more modestly. That's a reflection of the state of the economy more broadly – the economic cycle is maturing, with growth harder to win off a high level. There is clearly plenty of demand for staff, and firms are reporting finding staff is a significant constraint on their growth. Accordingly, we expect wage growth to lift this year as the unemployment rate eases below 5%.

ANZ NEW ZEALAND JOB ADS

Job Ads	Mar-15	Mar-16	Jan-17	Feb-17	Mar-17
Seas adj	32,617	35,532	41,090	41,270	41,914
Monthly % change (sa)	1.0	0.9	-0.3	0.4	1.6
Annual 3mma % chg (non-sa)	6.9	7.2	19.6	18.5	17.7
By region (seas. adjusted)					
Auckland	15,279	17,606	20,253	20,041	20,547
Bay Of Plenty	1,192	1,507	1,743	1,791	1,795
Canterbury	5,978	5,220	5,288	5,331	5,484
Gisborne	110	119	163	148	145
Hawkes Bay	547	572	781	773	792
Manawatu / Wanganui	696	735	946	924	971
Nelson/Tasman/Marlborough	582	623	800	802	901
Northland	444	494	579	626	625
Otago	1,024	1,199	1,554	1,585	1,667
Southland	364	316	382	405	390
Taranaki	374	381	456	434	456
Waikato	1,710	1,853	2,471	2,402	2,466
Wellington	4,548	4,689	5,271	5,296	5,327
West Coast	96	96	137	136	141
By sector (seas. adjusted)					
Ag, Forestry, Fishing, Mining	571	539	675	721	742
Construction, Utilities, Manufacturing, Transport	9,749	10,726	12,787	12,856	13,441
Finance, Professional, Scientific, Real Estate, Admin	9,794	10,433	11,753	11,480	11,819
Government, Other services	1,857	1,997	2,622	2,728	2,710
Health, Education	2,903	3,098	3,730	3,734	3,682
IT	3,256	2,808	2,695	2,757	2,778
Retail, Tourism & Rec	6,009	6,455	7,727	7,447	7,653

Note: Subcomponents will not add precisely to the total due to a degree of double-counting in the source websites, independent seasonal adjustment and rounding. Actual (non seasonally adjusted) data is available on request.

Source for all charts and tables: ANZ, SEEK, Trade Me

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