

ANZ NEW ZEALAND JOB ADS EMPLOYERS THINKING TWICE

Data for June 2015,
released on 17 July 2015

CONTACTS

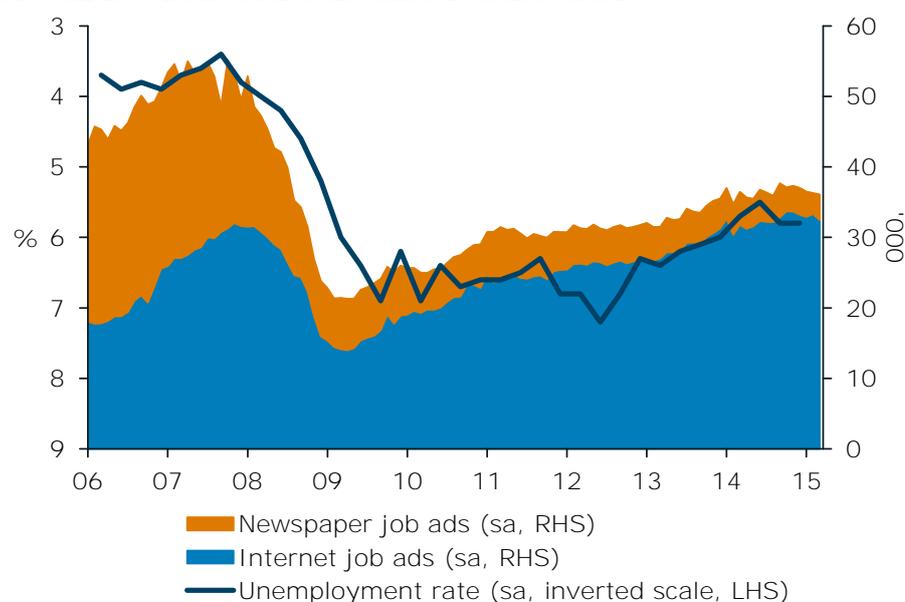
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SUMMARY

- Job advertising data suggests demand for labour continues to ease, particularly in Canterbury, the Waikato and the Manawatu. **Hawke's Bay** and Auckland are experiencing the strongest growth in job ads.
- Total job advertising fell 0.6% in June (seasonally adjusted). Job ads have declined for five of the past six months and the trend is now declining. Taking a 3-month average to smooth through noise, total job ads are down 2.3% q/q and up 0.7% y/y, the weakest annual growth since early 2010.
- Nationwide internet job advertising fell 2.6% (sa) in June, and is down 1.9% q/q. On a rolling 3-month basis it is up 4.2% y/y. Newspaper job advertising reversed its sharp May fall, rising 22%, but on a smoothed 3-month basis it is down 6.1% q/q and is 24.1% below a year ago.
- Of the three main centres, only Auckland has higher numbers of total job ads than a year ago (up 7.6% y/y, 3-month rolling average). By the same measure Canterbury ads are down 9.2% y/y, while Wellington job ads are down 4.1% y/y.
- We expect modest employment growth this year, partly due to lower economic growth, and partly because of skill shortages.
- We forecast the unemployment rate to hover around its current level (5.8%) over the rest of the year.

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

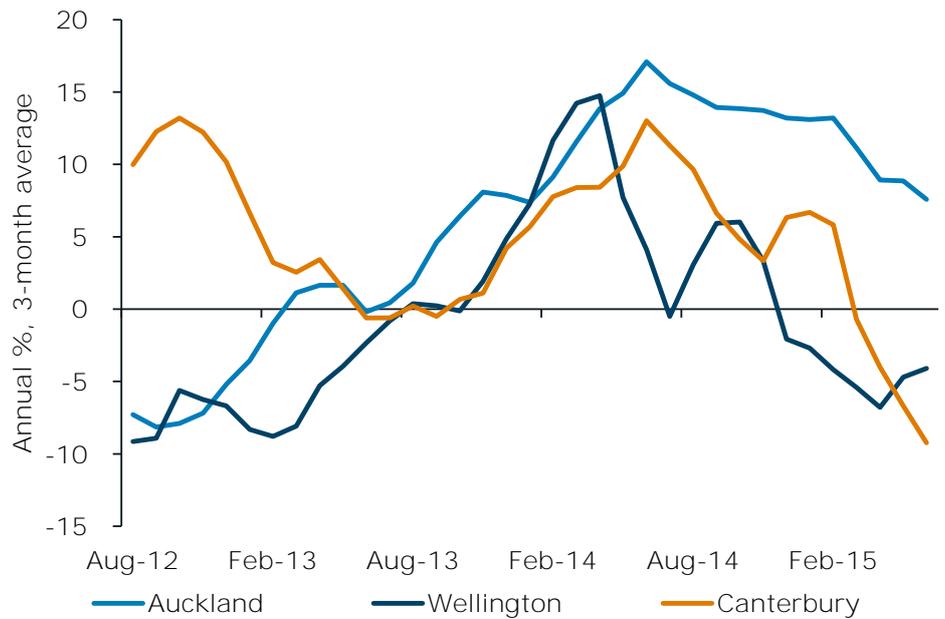
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Total job advertising fell 0.6% in June (seasonally adjusted), its fourth consecutive fall.¹ Annual growth in the rolling 3-month average of ad volumes has fallen to 0.7%, its lowest rate since early 2010. On current trends, job ads will soon be falling year-on-year.

Nationwide internet job advertising fell 2.6% in June (sa), and has fallen for four of the past five months. It is down 1.9% in the June quarter. Annual growth in the 3-month average of internet job advertising has eased further to 4.2%. Despite a June month bounce from a sharp fall in May, **the volume of newspaper job advertising is in long-term decline, down 24.1% y/y** on a smoothed 3-month average basis.

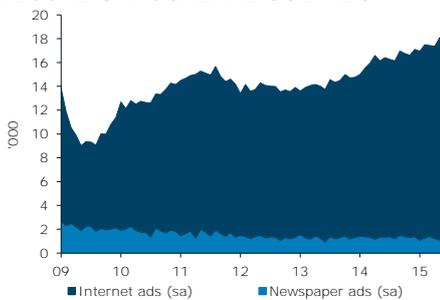
In terms of total ads, looking first at the main centres, **Auckland growth is easing after a dip in June but growth is still at strong rates**, with the annual growth in the 3-month average of total job ads at 7.6%. **Canterbury job ads are 9.2% lower than a year ago by the same measure, and are falling faster than advertising in Wellington** (-4.1% y/y).

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



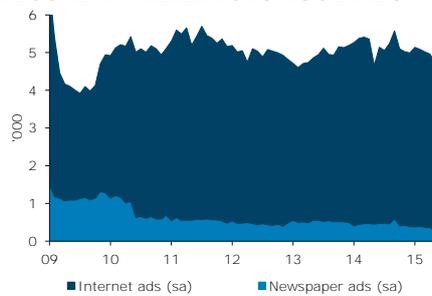
Source: ANZ, Seek, Trade Me, Dominion Post, NZ Herald, The Press

FIGURE 3. AUCKLAND JOB ADS



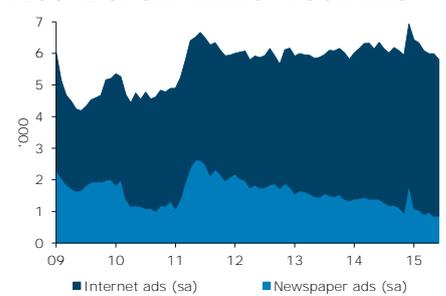
Source: ANZ, Seek, Trade Me, NZ Herald

FIGURE 4. WELLINGTON JOB ADS



Source: ANZ, Seek, Trade Me, Dominion Post

FIGURE 5. CANTERBURY JOB ADS



Source: ANZ, Seek, Trade Me, The Press

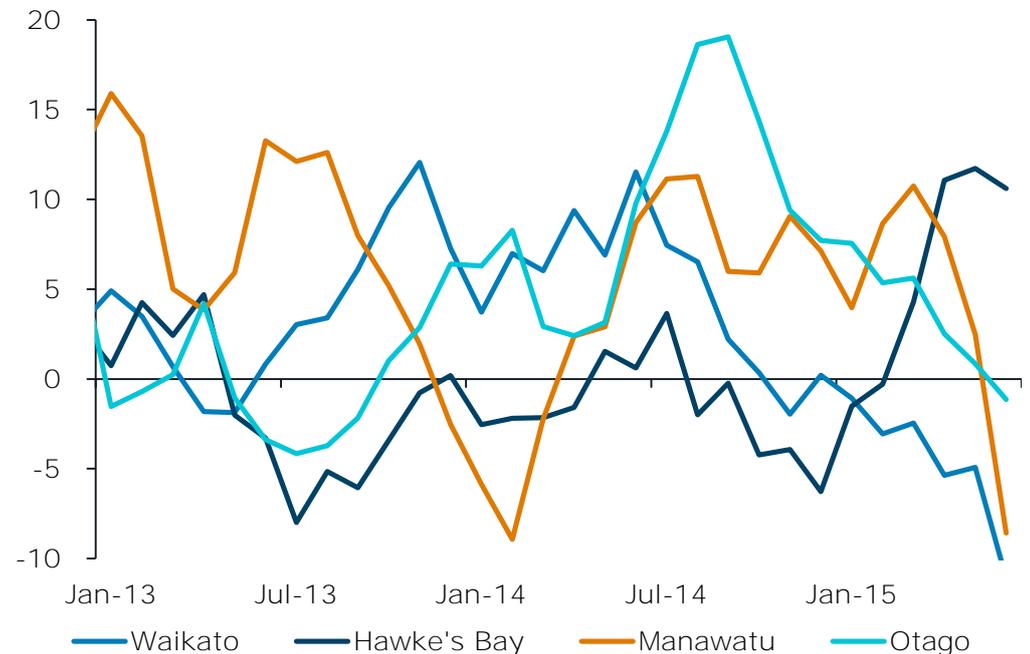
¹ Seasonal adjustment means historical data is always revised when new data is added. The newly estimated seasonally adjusted data shows a small fall in total job ads in May.

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In the smaller centres, the themes remain the same as last month:

- **Job ads growth in Hawke's Bay** remains strong, growing even faster than Auckland at 10.6% year on year (3-month average). This likely reflects a good year for pipfruit and tourism. However, it is worth noting job ads in the region have fallen for the last two months, seasonally adjusted.
- Weakening dairy prospects are likely behind the underperformance of the Waikato labour market, where job ads are 11.1% lower than a year ago (3-month average).
- Manawatu job ads fell sharply in annual growth terms this month, with job ads having fallen in three of the past four months (sa).

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

Nationally, job ads data suggests labour demand is weakening, consistent with easing employment intentions in our *ANZ Business Outlook* survey. Part of this simply reflects a more mature business cycle and skill shortages. However, it also suggests employers are increasingly thinking twice before advertising for new staff as a result of strengthening economic headwinds. We forecast the unemployment rate to hover around its current level of 5.8% for the remainder of the year.

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Newspaper Ads	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	
Actual	3,077	3,591	4,180	3,898	3,820	3,016	3,575	
Seas adj	4,846	3,415	3,664	3,824	3,602	2,991	3,648	
Monthly % change (sa)	29.4	-29.5	7.3	4.4	-5.8	-17.0	22.0	
Annual 3mma % chg (non-sa)	-0.7	-4.5	-3.7	-14.6	-7.6	-12.7	-6.1	
Internet Ads								
Actual	27,205	27,157	35,468	35,407	32,606	34,747	33,733	
Seas adj	32,839	33,689	33,657	33,206	32,899	33,306	32,440	
Monthly % change (sa)	2.1	2.6	-0.1	-1.3	-0.9	1.2	-2.6	
Annual 3mma % chg (non-sa)	13.1	11.9	10.0	6.6	0.9	9.9	2.0	
Total								
Actual	30,282	30,748	39,648	39,305	36,426	37,763	37,308	
Seas adj	37,685	37,104	37,321	37,030	36,501	36,297	36,088	
Monthly % change (sa)	5.0	-1.5	0.6	-0.8	-1.4	-0.6	-0.6	
Annual 3mma % chg (non-sa)	8.2	8.2	7.8	5.5	3.0	2.6	0.7	

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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