

ANZ NEW ZEALAND JOB ADS

Data for August 2017,
released 6 September 2017

CONTACTS

Sharon Zollner
Senior Economist
Telephone: +64 9 357 4094
E-mail: sharon.zollner@anz.com

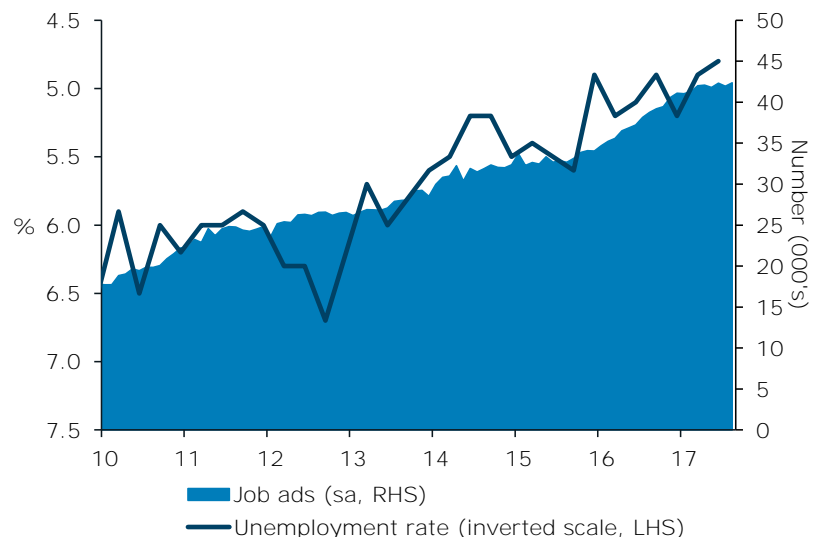
The next release of ANZ Job Ads
is scheduled for release on
4 October 2017 at 10am.

AUCKLAND COOLING

SUMMARY

- ANZ job ads bounced back 1.0% m/m in August (seasonally adjusted) to a new record high – just.
- Job ads growth has slowed to just 0.6% q/q, with the flattening off clearly evident in the chart below. Annual job ads growth has eased from a peak of 20% in January to 11% in August (3-month average).
- Job ads in Auckland have fallen for four months straight (seasonally adjusted); Auckland is now almost the bottom of the national table in annual growth terms. The three main centres are all lagging the national average (11%), though ads jumped 5.9% m/m (sa) in Wellington in August.
- As has been the case for a while, the question is: is labour demand coming off the boil or are firms giving up on advertising, given chronic skill shortages? **It's looking** like a mixture of both.
- The service sector is a big driver of total job ads growth at present, with the construction sector running out of steam, and the retail sector an outright headwind.
- We continue to expect a modest pick-up in wage growth.

Figure 1. ANZ job ads and the unemployment rate



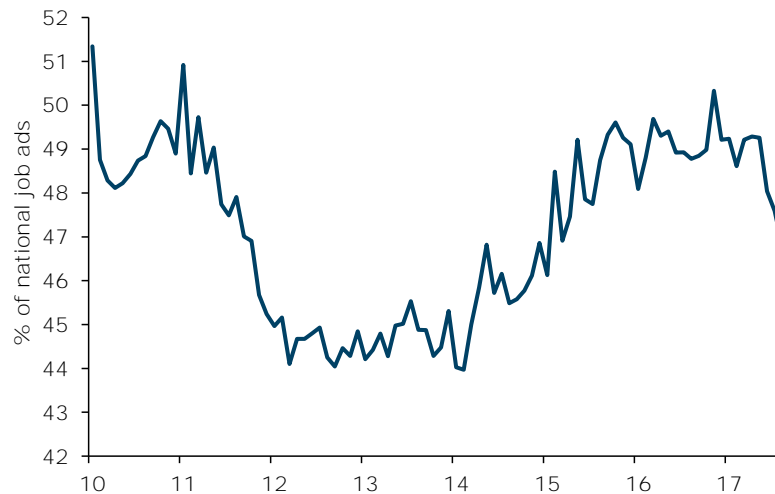
Source: ANZ, Statistics NZ, Seek, Trade Me

ANZ NEW ZEALAND JOB ADS

ANZ job ads rose 1.0% in August (seasonally adjusted), unwinding the fall the previous month. The level of job ads has flattened out, albeit around record highs.

After falling for a fourth month in a row (-0.7%), Auckland job ads have fallen behind both Wellington and Canterbury on an annual growth basis (+7.6% y/y). Indeed, the Auckland share of national job ads is now dropping rapidly. However, the Auckland economy accounts for around 37% of the total economy and the share of total job ads is still well above that.

Figure 2. Auckland job ads as a share of national total

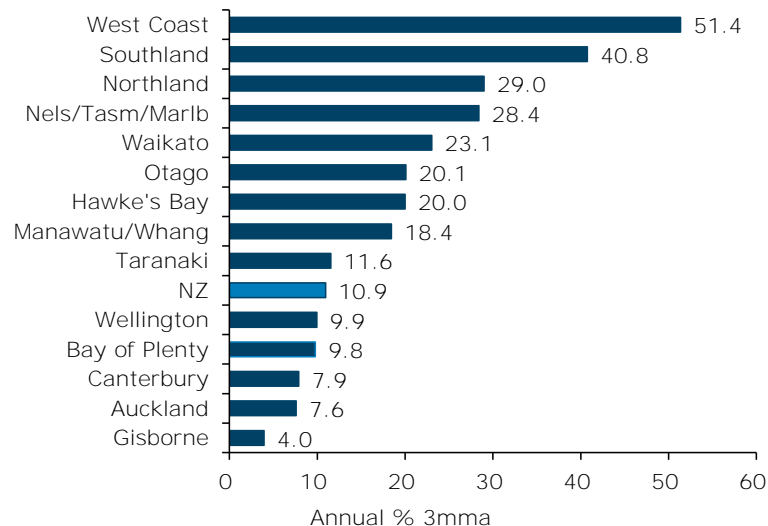


Source: ANZ, Seek, Trade Me

Wellington job ads jumped 5.9% m/m, the strongest monthly increase in 3 years (+9.9% y/y). Canterbury job ads lifted 0.8% after falling in July (+7.9% y/y) (all reported annual growth rates are based on a 3-month average).

Remarkably, all three of the main centres are lagging the national total growth rate, highlighting the strength of the smaller regions. That said, some of the shooting stars such as Gisborne have – not surprisingly – run out of fuel, having experienced annual growth of nearly 60% at the start of the year.

Figure 3. Annual job ad growth by region (3-month average)



Source: ANZ, Seek, Trade Me

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Figure 4. Auckland Job Ads

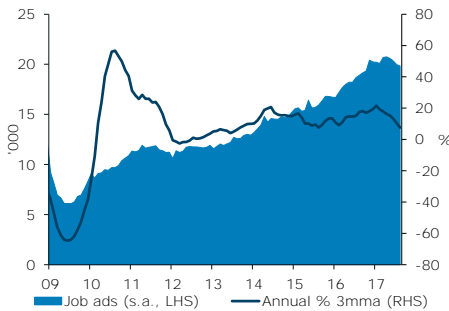


Figure 5. Wellington Job Ads

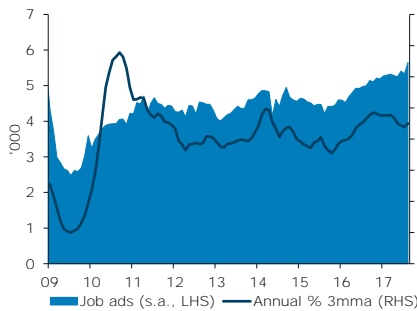
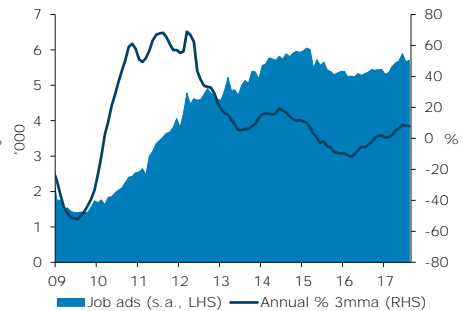
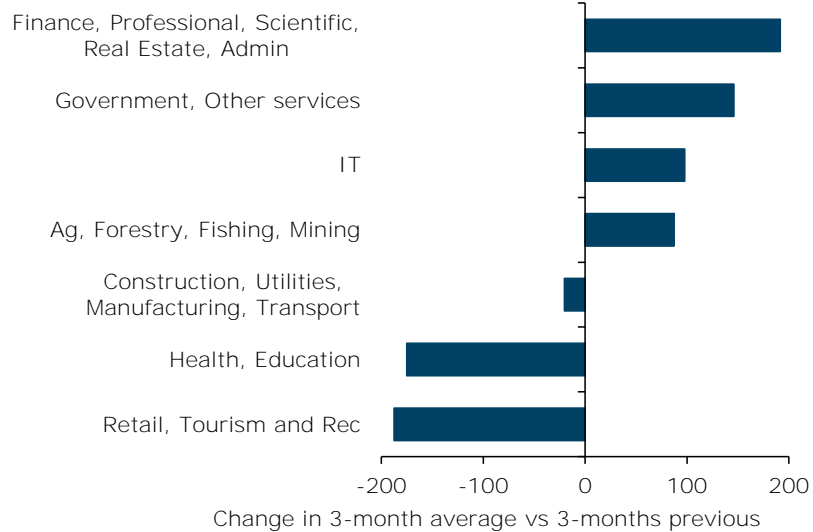


Figure 6. Canterbury Job Ads



The services sector is showing the strongest growth in job ads at present, followed by government (figure 7). The retail sector's ongoing struggles are evident, while job ads in construction, utilities, manufacturing and transport appear to be topping out. Note we have changed the below chart to the average of the last 3 months versus the 3 months preceding (rather than versus a year earlier), to give a timelier steer on the changing labour market drivers.

Figure 7. Change in 3-month job ad growth by sector vs. 3-months previous



Source: ANZ, Seek, Trade Me

It is not surprising that job ads are levelling out after strong growth. However, it is notable that the *level* of job ads in Auckland is actually falling. It is hard to know how much this reflects weaker demand for labour, and how much simply reflects employers giving up on advertising for staff, given the tightness of the labour market. In conjunction with a drop in employment intentions in the latest ANZ Business Outlook survey, it is fair to say it bears watching.

With the unemployment rate at its lowest level since 2008, we expect a modest increase in wage growth. However, we expect the increase to be capped by still-subdued CPI inflation, often a starting point for wage negotiations.

ANZ NEW ZEALAND JOB ADS

Job Ads	Aug-15	Aug-16	Jun-17	Jul-17	Aug-17
Seas adj	32,667	38,754	42,324	41,952	42,366
Monthly % change (sa)	-0.6	1.6	1.3	-0.9	1.0
Annual 3mma % chg (non-sa)	2.7	16.0	14.1	12.2	10.9
By region (seas. adjusted)					
Auckland	15,926	18,904	20,331	19,965	19,824
Bay Of Plenty	1,264	1,861	1,945	1,928	1,993
Canterbury	5,437	5,370	5,892	5,659	5,706
Gisborne	101	139	143	141	133
Hawkes Bay	511	706	802	837	839
Manawatu / Whanganui	707	883	1,003	1,025	983
Nelson/Tasman/Marlborough	550	798	980	988	1,011
Northland	434	551	690	688	701
Otago	1,045	1,398	1,579	1,671	1,731
Southland	339	340	446	477	487
Taranaki	383	416	490	480	453
Waikato	1,626	2,253	2,598	2,657	2,741
Wellington	4,212	4,995	5,404	5,331	5,644
West Coast	83	116	162	165	158
By sector (seas. adjusted)					
Ag, Forestry, Fishing, Mining	522	622	839	834	902
Construction, Utilities, Manufacturing, Transport	9,616	12,021	13,837	13,865	14,329
Finance, Professional, Scientific, Real Estate, Admin	9,940	11,118	11,973	11,956	11,912
Government, Other services	2,024	2,265	2,967	3,054	3,044
Health, Education	2,802	3,361	3,555	3,509	3,494
IT	2,644	2,847	2,553	2,597	2,629
Retail, Tourism & Rec	5,984	7,409	7,784	7,630	7,397

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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