

ANZ NEW ZEALAND JOB ADS

Data for February 2017,
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CONTACTS

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TOPPING OUT?

SUMMARY

- ANZ job ads lifted 0.4% in February (seasonally adjusted), unwinding their 0.4% dip in January. Job ads are 18.5% higher than a year ago (3-month average).¹
- The ongoing high level of job ads flags very strong demand for labour, but growth has flattened off recently.
- Auckland is the strongest of the main centres in annual growth terms but the number of job ads appears to have peaked in November last year (seasonally adjusted). Wellington job ads growth is slowing, while Canterbury job ads have been fairly flat for the last 18 months.
- Our largest cities continue to be outpaced by the regions. Of the 11 less-urbanised regions only Taranaki (+18.7% y/y) is not recording annual job ad growth stronger than any of the main centres.
- The construction, utilities, manufacturing and transport sector remains the largest sectoral driver of total job ads growth. Retail, tourism and recreation and services are also contributing strongly.
- Despite an increase in the unemployment rate in Q4, the current strength of labour demand flags unemployment heading lower, with accompanying 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.

ANZ NEW ZEALAND JOB ADS

ANZ job advertising rose 0.4% in February (seasonally adjusted),

unwinding its January dip. On a rolling 3-month average basis, job ads are up 18.5% from a year ago. Annual growth now appears to have peaked.

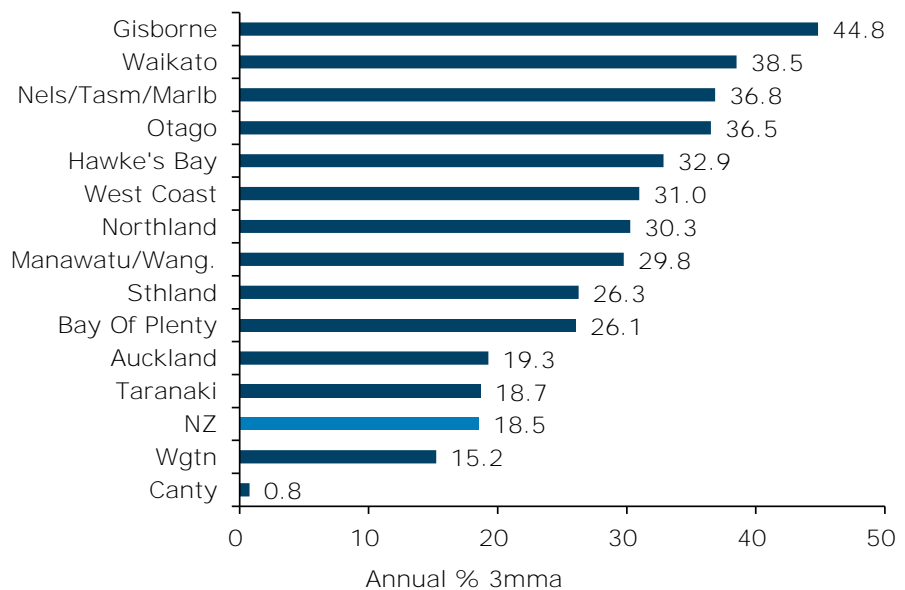
Some flattening in job ads of late needs to be acknowledged.

It may suggest waning labour demand (though demand remains at a high level). But it could also be a reflection of frustration regarding attracting quality candidates (reducing businesses' appetite to advertise).

Auckland is the strongest of the main centres, with job ads 19.3% higher than a year ago. That said, the level of job ads now looks like it may have peaked in November (sa), with small falls in each of the last three months (+2.6% 3m/3m). **Wellington job ads are also flattening after a period of strong growth** (+1.9% 3m/3m, +15.2% y/y). **Canterbury job ads reflect the slowing quake rebuild effort** (-2.0% 3m/3m, +0.8% y/y) (all 3m average).

Our largest cities continue to be outdone by the regions. All but one of the 11 less-urbanised regions are recording annual job ad growth stronger than any of the three main centres (figure 2). Gisborne job ads are up 45% on a year ago and Waikato's 39% y/y.

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



Source: ANZ, Seek, Trade Me

FIGURE 3. AUCKLAND JOB ADS

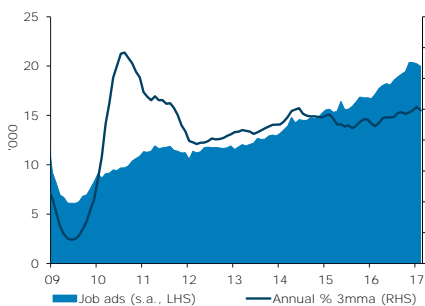


FIGURE 4. WELLINGTON JOB ADS

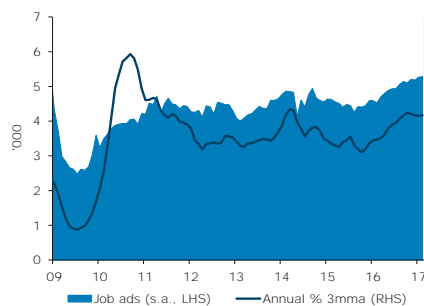
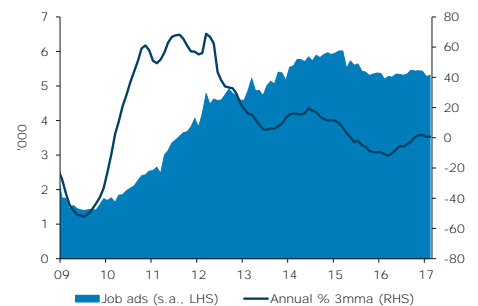


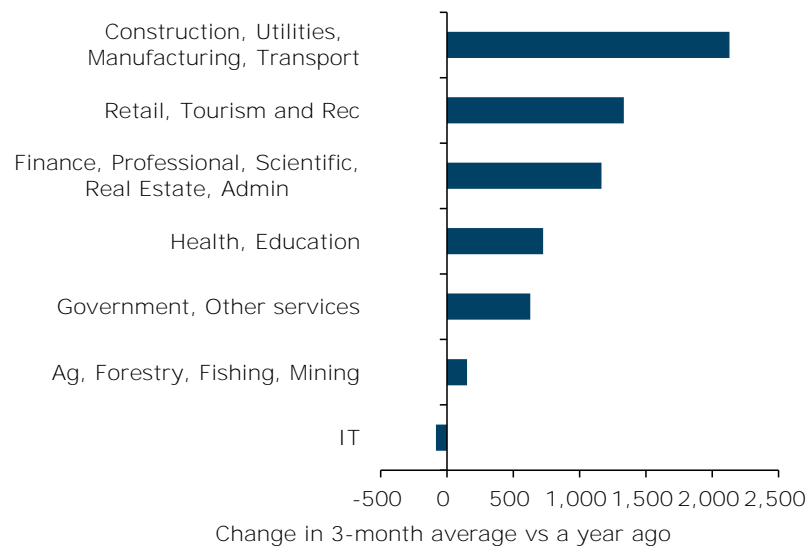
FIGURE 5. CANTERBURY JOB ADS



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The construction, utilities, manufacturing and transport sector continues to experience the largest growth in job ads (figure 6). IT is the only sector to be experiencing negative growth y/y.

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



Source: ANZ, Seek, Trade Me

The lift in the unemployment rate in the December quarter was due to very strong labour supply growth, not a lack of labour demand.

Although growth in job ads is easing, there is clearly plenty of demand for staff, and firms are reporting finding skilled staff is a significant constraint on their growth. Accordingly, we expect wage growth to lift this year.

ANZ NEW ZEALAND JOB ADS

Job Ads	Feb-15	Feb-16	Dec-16	Jan-17	Feb-17
Seas adj	32,268	35,186	41,220	41,066	41,216
Monthly % change (sa)	-4.3	1.4	1.3	-0.4	0.4
Annual 3mma % chg (non-sa)	9.4	5.9	18.8	19.6	18.5
By region (seas. adjusted)					
Auckland	15,628	17,130	20,350	20,230	19,969
Bay Of Plenty	1,323	1,460	1,828	1,741	1,785
Canterbury	6,013	5,191	5,428	5,274	5,307
Gisborne	99	118	168	164	149
Hawkes Bay	536	638	780	780	773
Manawatu / Wanganui	780	747	917	944	921
Nelson/Tasman/Marlborough	578	608	938	794	792
Northland	442	458	585	577	623
Otago	1,019	1,167	1,608	1,549	1,576
Southland	368	313	417	383	407
Taranaki	350	401	452	452	435
Waikato	1,734	1,798	2,460	2,475	2,406
Wellington	4,623	4,519	5,184	5,266	5,287
West Coast	92	121	137	137	135
By sector (seas. adjusted)					
Ag, Forestry, Fishing, Mining	553	541	727	673	718
Construction, Utilities, Manufacturing, Transport	9,880	10,387	12,848	12,757	12,714
Finance, Professional, Scientific, Real Estate, Admin	9,807	10,483	11,958	11,769	11,438
Government, Other services	1,889	1,905	2,553	2,622	2,740
Health, Education	3,009	2,954	3,706	3,744	3,752
IT	2,595	2,828	2,762	2,690	2,750
Retail, Tourism & Rec	6,173	6,267	7,955	7,713	7,435

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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