

ANZ NEW ZEALAND JOB ADS

Data for May 2017,
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The next release of ANZ Job
Ads will be on 5 July.

TEA BREAK

SUMMARY

- ANZ job ads eased 0.6% in May (seasonally adjusted).
- The data is plateauing after a period of very strong growth, with the number of ads being posted up 15.6% versus a year ago (3-month average).¹
- Auckland is the strongest of the main centres in annual growth terms (15.3%), despite flat ads in May (sa). Wellington job ads are up 10% y/y (-0.8% m/m), while Canterbury job ads rose another 1.1% m/m to their highest level since mid-2015 (sa) (+6.5% y/y).
- The regions continue to forge ahead, with all experiencing stronger annual job ad growth than any of the three main centres.
- As has been the case for some time, the construction, utilities, manufacturing and transport sector is the largest drivers of total job ads growth. The service sector is also contributing strongly, as is retail and tourism.
- **We're expecting ongoing** strong employment growth, with the unemployment rate remaining under 5% this year. Stronger wage growth is set to emerge.

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

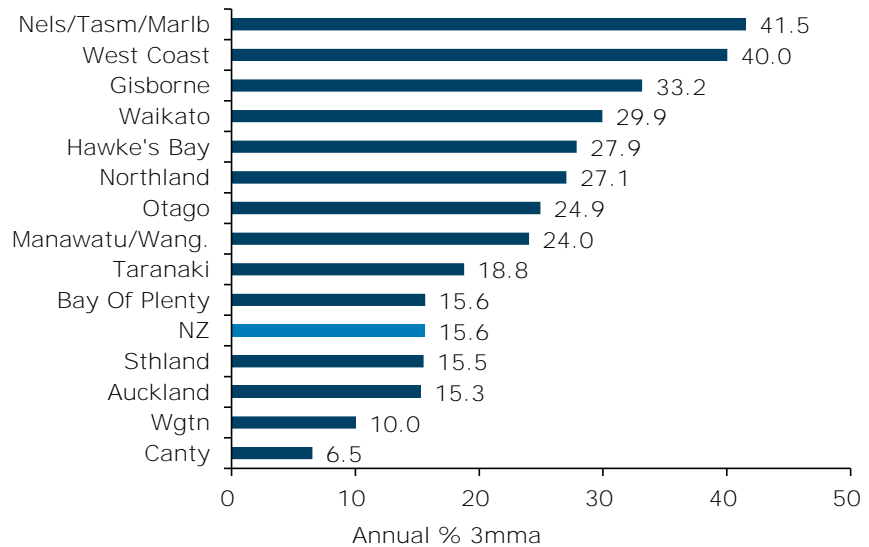
ANZ job ads dipped 0.6% in May (seasonally adjusted). Growth has plateaued, but with annual growth having hit nearly 20%, this was always on the cards at some stage and the underlying message remains one of strength and elevation. On a rolling 3-month average basis, job ads are still up 15.6% from a year ago, with levels near record highs.

Labour demand is strong. Corroborating strong levels of job advertising, surveys show firms have positive employment intentions, and that finding staff is a major constraint on growth. That in itself is a reason for job ads to tail off; employees are harder to find so firms turn to non-advertising (creative) means.

Auckland is the strongest of the main centres, with job ads up 15.3% versus a year ago despite a flat month. **Wellington job ads fell 0.8% m/m** (+10% y/y, 3m average). **Growth in Canterbury job ads has rebounded despite the slowing quake rebuild effort,** with a 1.1% monthly lift contributing to annual growth (3m average) lifting to 6.5%, the strongest rate since March 2015.

The regions continue to set the pace. All of the 11 less-urbanised regions are experiencing stronger annual job ad growth than any of the three main centres (figure 2). Job ads increased in seven regions and fell in four in the month.

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



Source: ANZ, Seek, Trade Me

FIGURE 3. AUCKLAND JOB ADS

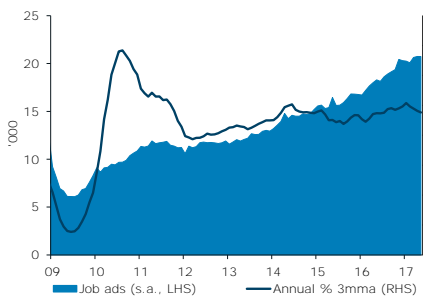


FIGURE 4. WELLINGTON JOB ADS

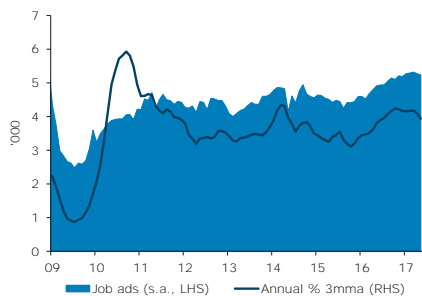
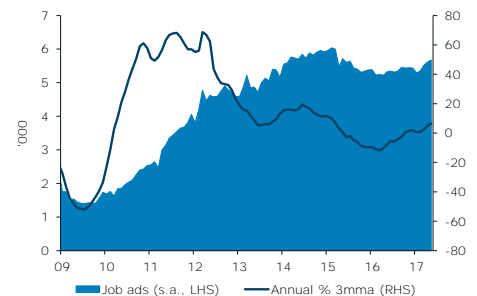


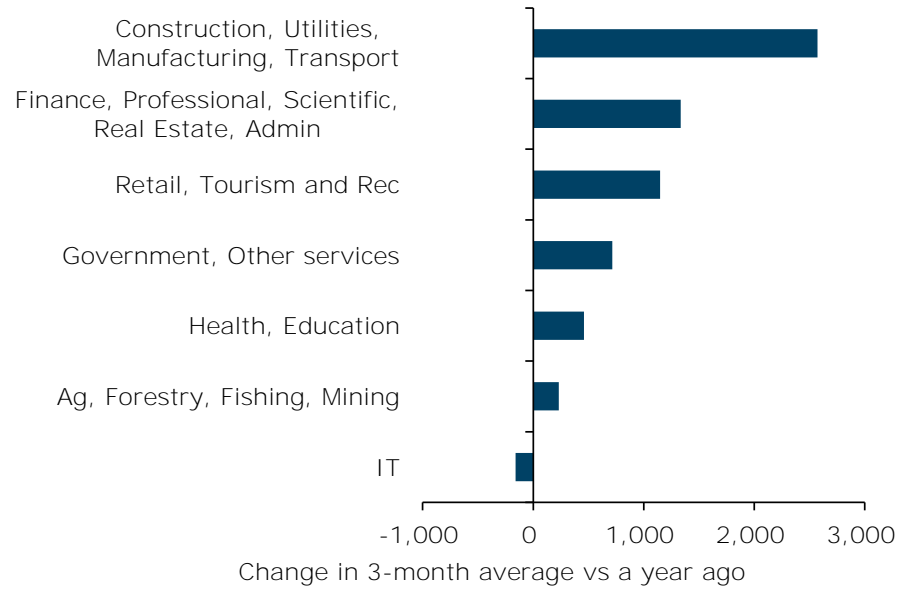
FIGURE 5. CANTERBURY JOB ADS



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The construction, utilities, manufacturing and transport sector continues to show the largest annual growth in job ads (figure 6).²

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



Source: ANZ, Seek, Trade Me

The New Zealand economic cycle is maturing and hitting capacity constraints, including a shortage of workers. Job ads are strong and firms continue to report that finding staff is a significant constraint on their growth. We expect wage growth to lift this year as the unemployment rate remains below 5%.

² The fall in IT job ads may be influenced by a shift in job advertising for the sector to more specialised websites that our index does not capture.

ANZ NEW ZEALAND JOB ADS

Job Ads	May-15	May-16	Mar-17	Apr-17	May-17
Seas adj	33,326	36,848	41,969	42,040	41,779
Monthly % change (sa)	2.8	1.0	1.6	0.2	-0.6
Annual 3mma % chg (non-sa)	5.5	10.8	17.7	16.9	15.6
By region (seas. adjusted)					
Auckland	16,448	18,291	20,629	20,735	20,730
Bay Of Plenty	1,224	1,658	1,805	1,793	1,920
Canterbury	5,717	5,324	5,518	5,615	5,677
Gisborne	78	120	145	169	169
Hawkes Bay	519	623	788	717	796
Manawatu / Wanganui	673	803	966	925	984
Nelson/Tasman/Marlborough	552	692	917	953	957
Northland	440	513	626	649	630
Otago	1,022	1,433	1,666	1,662	1,542
Southland	326	332	388	348	398
Taranaki	355	402	460	474	513
Waikato	1,761	2,046	2,478	2,567	2,535
Wellington	4,419	4,911	5,319	5,273	5,233
West Coast	100	95	139	132	129
By sector (seas. adjusted)					
Ag, Forestry, Fishing, Mining	565	580	750	783	807
Construction, Utilities, Manufacturing, Transport	9,670	11,655	13,486	13,554	13,866
Finance, Professional, Scientific, Real Estate, Admin	9,924	10,731	11,843	11,937	11,808
Government, Other services	1,903	2,124	2,713	2,716	2,876
Health, Education	2,966	3,240	3,668	3,620	3,548
IT	3,352	2,865	2,764	2,635	2,611
Retail, Tourism & Rec	6,129	6,801	7,653	7,891	7,719

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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