

ANZ NEW ZEALAND JOB ADS THE REGIONS LEAD THE CHARGE

Data for September 2016,
released 13 October 2016

CONTACTS

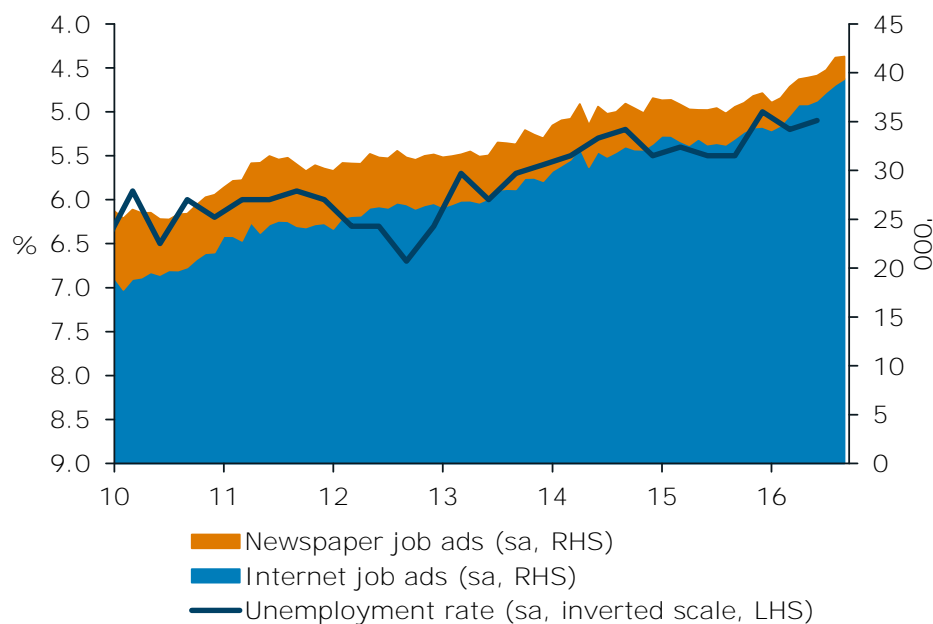
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SUMMARY

- Job ads rose 0.3% in September (seasonally adjusted) – the eighth consecutive monthly lift – to be 13.5% higher than a year ago (3-month average). This is in line with strong intentions to hire in our ANZ Business Outlook Survey.
- Internet job advertising lifted 1.5% in September (sa), while newspaper job advertising, which is much more volatile amidst a declining trend, fell 17.2% m/m (sa). We will be excluding newspapers from our job ads measure from next month.
- Auckland job ads are 14.8% higher than a year ago, and Wellington job ads are up 13.8% y/y after a rapid acceleration. The slowdown in the rebuild effort continues to weigh on the Canterbury labour market, with job ads 7.8% lower than a year ago (3-month average).
- Less urbanised regions continue to experience very strong growth in labour demand. Annual job ad growth in the Waikato is 27.1% as the region bounces back from sharp falls in job ads a year ago. **Hawke's Bay** job ads are up 17.6%, Manawatu 17.3%, and Otago 19.1% y/y. Regions for which we have only internet data are also very strong, with the exception of Southland. The economic expansion is a nationwide affair.
- With firms in a mood to expand, skill shortages, rather than demand, are set to become the key brake on activity.

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

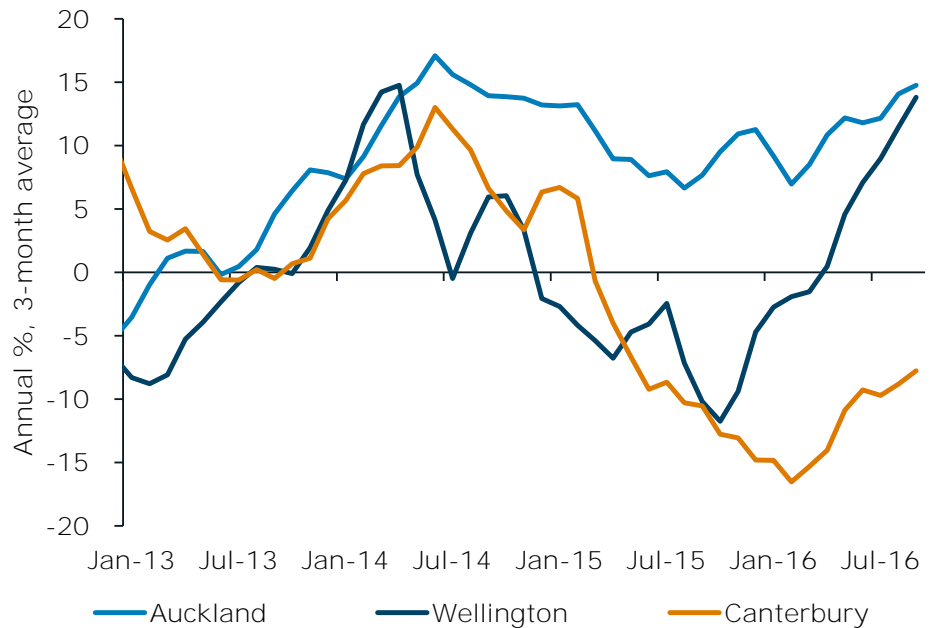
ANZ NEW ZEALAND JOB ADS

Total job advertising rose a further 0.3% in September (seasonally adjusted), its eighth consecutive increase. On a rolling 3-month average basis, job ads growth is up 13.5% versus a year ago, its strongest growth since mid-2014.

Nationwide internet job advertising lifted 1.5% m/m (sa) in September, and annual growth (3-month average) in online ads is 17.6%. **Newspaper job advertising is much more volatile. It fell 17.2% m/m, and continues to trend lower.**¹

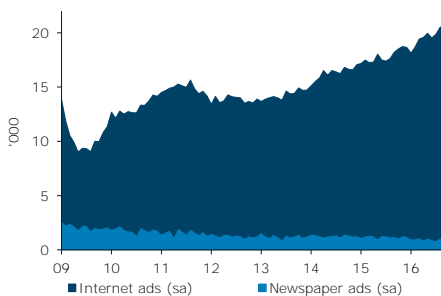
Turning first to the main centres, **Canterbury job ads remain weakest but the decline is easing after improving over the past two months** (-7.8% y/y). Auckland job ads are 14.8% higher than a year ago, the strongest growth in more than two years, while **Wellington job ads have turned around very rapidly from annual falls 6 months ago to +13.8% y/y in September** (all 3-month average).

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



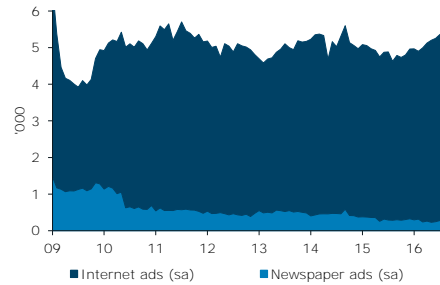
Source: ANZ, Seek, Trade Me, Dominion Post, NZ Herald, The Press

FIGURE 3. AUCKLAND JOB ADS



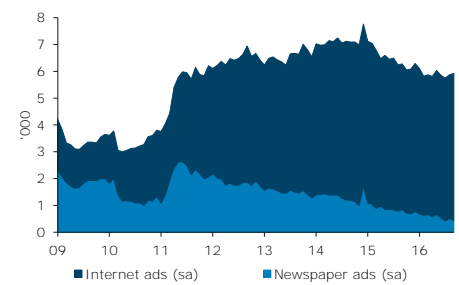
Source: ANZ, Seek, Trade Me, NZ Herald

FIGURE 4. WELLINGTON JOB ADS



Source: ANZ, Seek, Trade Me, Dominion Post

FIGURE 5. CANTERBURY JOB ADS



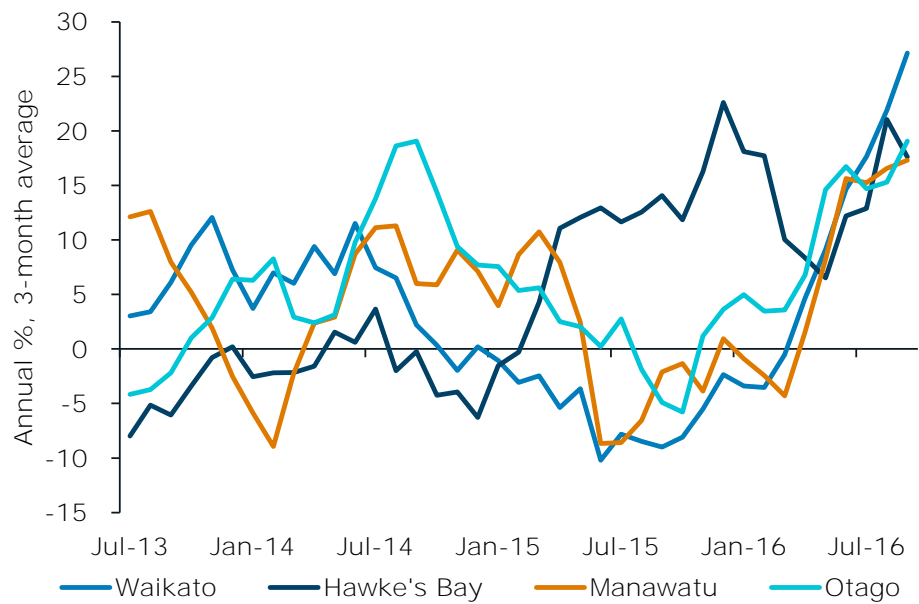
Source: ANZ, Seek, Trade Me, The Press

¹ This data now adds little information about the state of the labour market and we will remove it from our measure of job ads from next month, with an appropriate historical phase-out.

ANZ NEW ZEALAND JOB ADS

In a clear sign of how broad-based the current economic expansion is, job ads growth in the less urbanised regions remains extremely strong. Job ads in the Waikato have bounced back spectacularly after last year's dairy-related downturn, up 27.1% y/y. This likely reflects very strong construction in the region. Other regions are booming too: **Hawke's Bay** 17.6% y/y; **Manawatu** 17.3% y/y; and **Otago** 19.1% y/y (all 3-month average). In addition, the regions for which we have only internet-based data also have very strong annual growth: Northland 27.5%, Gisborne 35.4%, Taranaki 12.2%, Nelson/Marlborough 43.9%, and West Coast 28%. Southland (+2.7% y/y) is dragging the chain.

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

Given nationwide labour demand this strong, we expect wages to soon start to move.

| | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--|
| Newspaper Ads | | | | | | | | |
| Actual | 3,050 | 2,691 | 2,821 | 2,615 | 2,442 | 2,515 | 2,468 | |
| Seas adj | 2,934 | 2,572 | 2,740 | 2,561 | 2,268 | 2,774 | 2,298 | |
| Monthly % change (sa) | 3.8 | -12.3 | 6.5 | -6.5 | -11.5 | 22.3 | -17.2 | |
| Annual 3mma % chg (non-sa) | -22.6 | -24.9 | -20.4 | -22.1 | -24.6 | -26.9 | -27.6 | |
| Internet Ads | | | | | | | | |
| Actual | 38,281 | 36,829 | 38,418 | 38,339 | 39,972 | 40,514 | 41,221 | |
| Seas adj | 35,632 | 36,759 | 36,760 | 37,137 | 38,005 | 38,770 | 39,358 | |
| Monthly % change (sa) | 3.0 | 3.2 | 0.0 | 1.0 | 2.3 | 2.0 | 1.5 | |
| Annual 3mma % chg (non-sa) | 4.6 | 8.0 | 10.5 | 12.4 | 13.3 | 16.0 | 17.6 | |
| Total | | | | | | | | |
| Actual | 41,331 | 39,520 | 41,239 | 40,954 | 42,413 | 43,029 | 43,689 | |
| Seas adj | 38,566 | 39,332 | 39,500 | 39,698 | 40,272 | 41,544 | 41,656 | |
| Monthly % change (sa) | 3.1 | 2.0 | 0.4 | 0.5 | 1.4 | 3.2 | 0.3 | |
| Annual 3mma % chg (non-sa) | 1.7 | 4.6 | 7.6 | 9.1 | 9.8 | 12.1 | 13.5 | |

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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