

ANZ NEW ZEALAND JOB ADS ALL HANDS TO THE PUMP

Data for October 2016,
released 17 November 2016

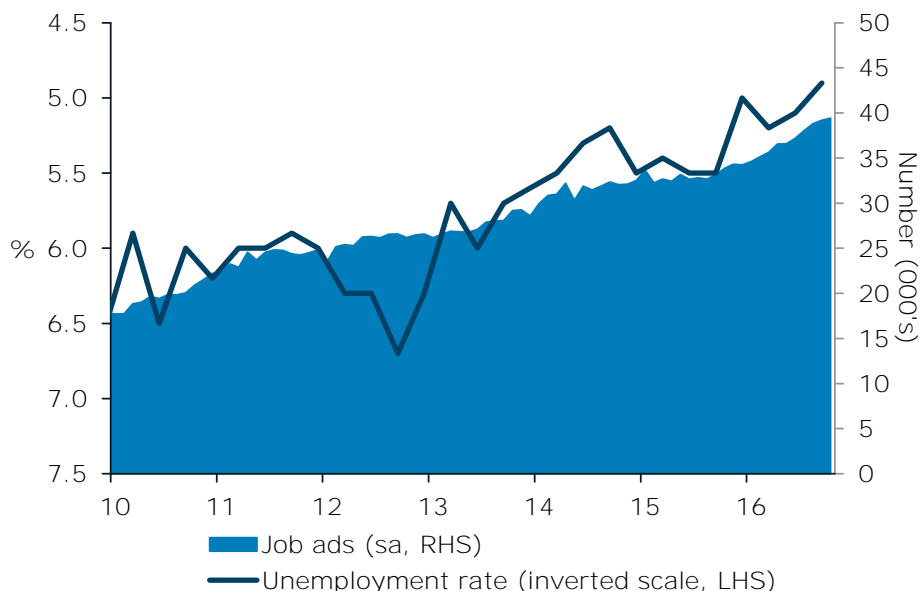
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SUMMARY

- ANZ job ads rose 0.6% in October (seasonally adjusted) to be 18% higher than a year ago (3-month average).¹
- Job ads have not fallen in any month in 2016 (seasonally adjusted). This is consistent with strong intentions to hire in our ANZ Business Outlook Survey.
- Auckland and Wellington job ads are both 17% higher than a year ago. The slowdown in the rebuild effort is impacting on the Canterbury labour market, with **the region’s** job ads up 0.4% versus a year ago (3-month average) after 16 months of negative annual growth.
- Less urbanised regions continue to experience very strong growth in labour demand, with more than half of the regions recording annual job ad growth of over 30% (3-month average). Bay of Plenty takes the cake with ads up nearly 50% on a year ago, while Taranaki is dragging the chain, up “just” 10%.
- The construction, utilities, manufacturing and transport sector is the single largest sectoral driver of total job ads growth at present, followed by retail, tourism and recreation and services.
- A shortage of labour, rather than a lack of demand, is the main constraint on firms’ expansion. We expect wage growth will soon start to respond.

FIGURE 1. ANZ JOB ADS AND THE UNEMPLOYMENT RATE



Source: ANZ, Statistics NZ, Seek, Trade Me

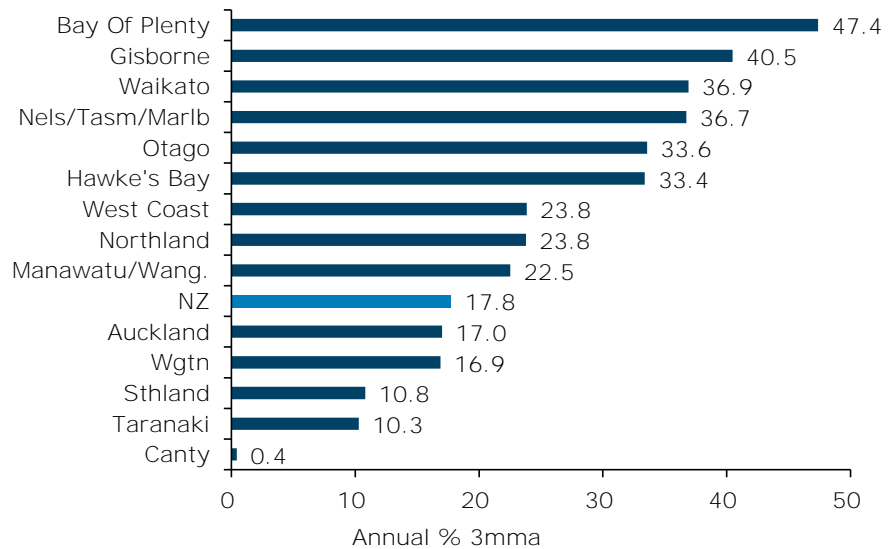
¹ Because newspaper ads have become such a small proportion of the market, we now exclude them from our job ads measure. However, they are present in the data before mid-2007. This has caused historical revisions to the data. Details on how the historical phase-out was implemented (and the new historical data) are available on request.

ANZ NEW ZEALAND JOB ADS

ANZ job advertising rose a further 0.6% in October (seasonally adjusted). Reflecting a broad upswing in labour demand, the ANZ job ads series has not fallen in any month in 2016 (sa). On a rolling 3-month average basis, job ads are up 18% versus a year ago, the strongest growth in five years.

As figure 2 below shows, **job ads growth is strong around most of the country**, led by the regions.

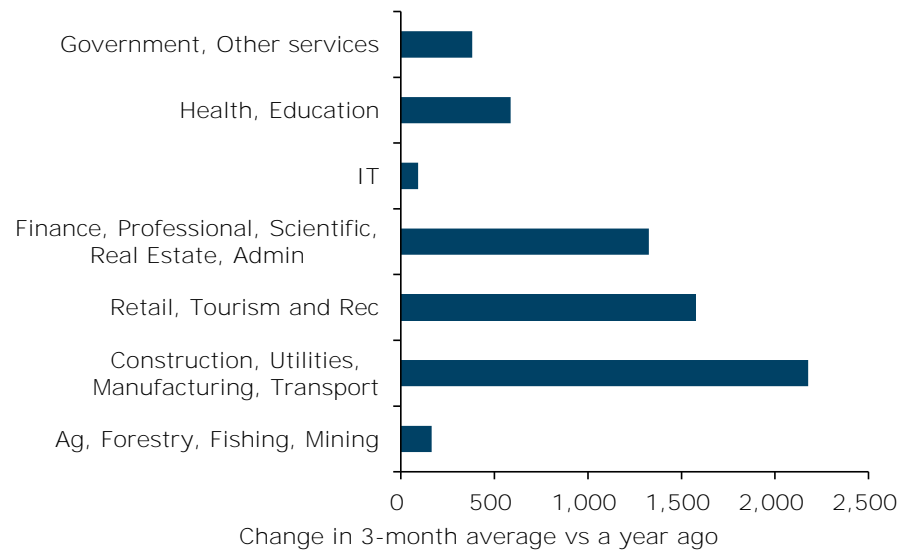
FIGURE 2. ANNUAL JOB AD % GROWTH IN THE REGIONS (3-MONTH AVERAGE)



Source: ANZ, Seek, Trade Me

The construction, utilities, manufacturing and transport sector is providing the most job ads at present, followed by retail/tourism/recreation, and finance, professional, scientific, real estate and admin services.

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



Source: ANZ, Seek, Trade Me

Labour demand is very strong; unified regional strength is a telling sign. Although labour supply has also increased, courtesy of both strong net migration and strong labour force participation, we nonetheless expect wage growth to soon start to respond.

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FIGURE 4. AUCKLAND JOB ADS

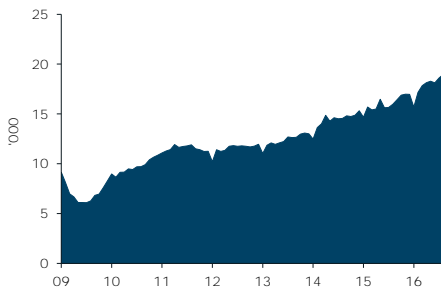


FIGURE 5. WELLINGTON JOB ADS

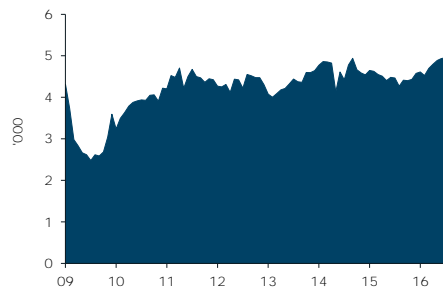
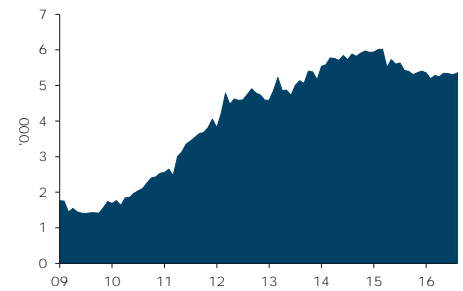


FIGURE 6. CANTERBURY JOB ADS



Job Ads	Oct-14	Oct-15	Aug-16	Sep-16	Oct-16
Seas adj	32,054	33,859	38,801	39,189	39,423
Monthly % change (sa)	-0.9	2.2	2.0	1.0	0.6
Annual 3mma % chg (non-sa)	12.9	3.4	16.0	17.6	17.8
By region (seas. adjusted)					
Auckland	14,740	16,882	18,958	19,229	19,420
Bay Of Plenty	1,156	1,322	1,898	1,908	1,889
Canterbury	5,909	5,302	5,340	5,449	5,430
Gisborne	106	104	137	142	151
Hawkes Bay	478	543	709	722	710
Manawatu / Wanganui	696	733	884	859	844
Nelson/Tasman/Marlborough	545	620	807	784	799
Northland	416	460	553	554	550
Otago	948	1,141	1,421	1,461	1,457
Southland	353	312	337	365	372
Taranaki	402	354	406	393	414
Waikato	1,624	1,746	2,258	2,213	2,314
Wellington	4,664	4,401	5,076	5,134	5,094
West Coast	107	98	116	118	107
By sector (seas. adjusted)					
Ag, Forestry, Fishing, Mining	539	527	629	657	678
Construction, Utilities, Manufacturing, Transport	9,336	10,262	12,059	12,208	11,824
Retail, Tourism and Rec	6,049	6,150	7,385	7,515	7,510
Finance, Professional, Scientific, Real Estate, Admin	9,255	10,242	11,556	11,095	11,319
IT	3,527	2,786	2,864	2,853	2,824
Health, Education	2,652	2,921	3,305	3,376	3,540
Government, Other services	1,670	1,990	2,199	2,331	2,434

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.

Source for all charts and tables: ANZ, SEEK, Trade Me.

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