

## BNZ/SEEK Employment Report



seek



16 January 2024

## Supply outpacing demand

Job ads tumbling

Migration more than meeting the demand for labour?

Applications to ads at record highs

Change in government clear to see?

## OVERVIEW

## SEEK NEW JOB ADS

	Dec-21	Dec-22	Oct-23	Nov-23	Dec-23
m/m % change	2.7	-6.1	-5.9	-4.8	-2.0
m/m % change (trend)	4.0	-3.0	-3.2	-3.1	-2.9
3m/3m	6.7	-8.7	-5.8	-8.2	-10.6
Ann % change (m/m)	37.3	-9.4	-29.5	-27.7	-24.5
Ann % change (3m/3m)	38.3	1.6	-27.0	-27.5	-27.3
Ann % change (12m/12m)	57.0	15.9	-18.0	-20.1	-21.3

Seasonally adjusted unless otherwise indicated

Job ads continue to tumble. On a seasonally adjusted basis ads have now fallen in 13 of the last sixteen months to be 37% down on the peak reported back in August 2022. Another way to look at this is that ads are now at their lowest since January 2017, if you exclude the COVID lockdown aberration.

## Supply up, demand down

The drop in ads is a combination of two factors. On the one hand weakening economic activity is lowering the marginal demand for labour. On the other, huge net migration inflows mean employers are finding labour easier to find. Don't underestimate the extent of the latter. Net migration inflows are currently at a 76-year high!

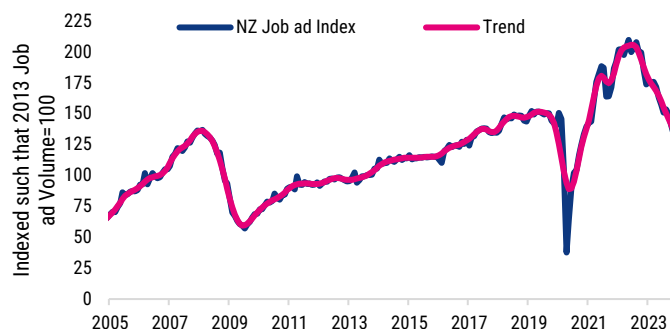
## Unprecedented ease

Consistent with the theme of rising supply and diminishing demand, job applications to ads have risen to unprecedented levels. This is consistent with the expectation that the recent increase in the unemployment rate will accelerate and wage pressures should diminish

## Key micro messages

There appear to be two themes running across the data breakdown. The government sector is in retreat, and the surge in employment needed to cope with the immediate after-effects of the North Island east coast flooding is now reversing. The 6% drop in Wellington job ads in the month, coupled with a 27% decline in government and defence ads, epitomises expectations about cuts in spending by the new government. The 9% drop in ads for Hawkes Bay and 13% reduction in Gisborne, accompanied by the 27% fall in insurance and superannuation, surely reflects a reduction in post disaster staffing requirements. On the plus side, Tourism and its associated locale seem to be faring relatively well.

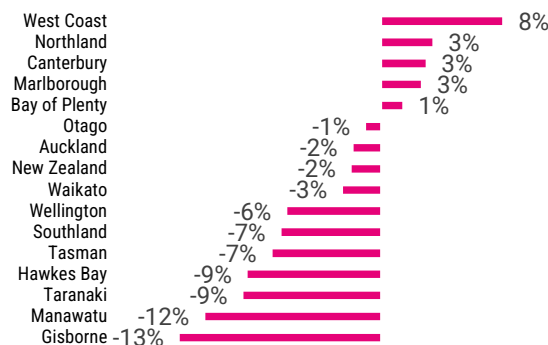
## NZ JOB ADS



Source: SEEK, BNZ

## REGIONAL TRENDS

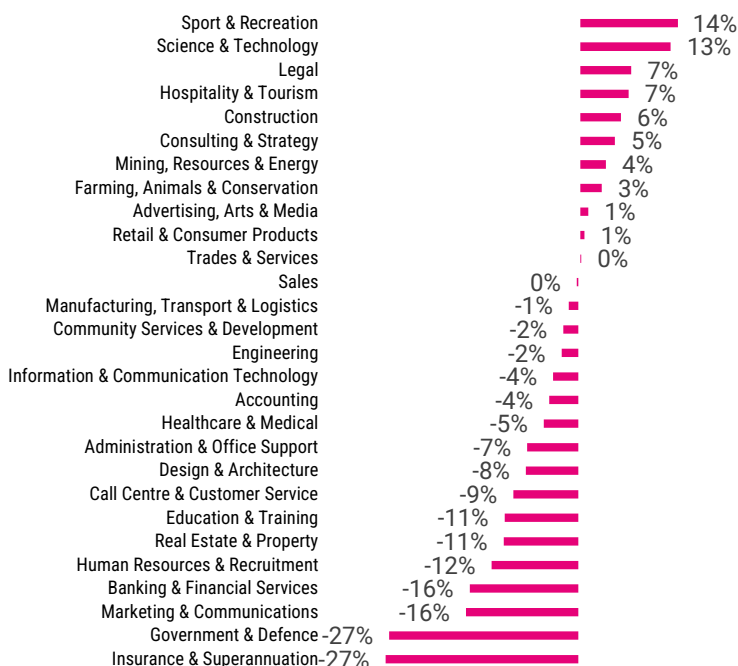
MoM Change



Source: SEEK, BNZ

## INDUSTRY TRENDS

MoM Change



Source: SEEK, BNZ

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The Covid-19 pandemic led to a high level of volatility in labour market data between April 2020 and March 2022. As a result, caution is recommended when interpreting trend estimates during this period as large month-to-month changes in variables generated multiple trend breaks.

The applications per ad index contains a series break at Jan 2016 when the calculation of this series changed from using gross variables (inclusive of all SEEK job listings) to net variables (removing duplicate job listings). This change has a negligible impact on recent data points, but caution is recommended when interpreting data immediately following the series break, and particularly in 2016 where growth rates have not been adjusted for the series break.