

BNZ/SEEK Employment Report



seek



08 March 2024

Same old, same old

Labour market easing rapidly

Disappointment growing for job seekers

Construction notably problematic

But the lawyers are doing okay

OVERVIEW

SEEK NEW JOB ADS

	Feb-22	Feb-23	Dec-23	Jan-24	Feb-24
m/m % change	0.9	0.6	-1.8	0.7	-2.6
m/m % change (trend)	2.4	-1.6	-2.7	-2.4	-1.7
3m/3m	14.1	-10.3	-10.4	-10.2	-7.3
Ann % change (m/m)	40.8	-13.3	-24.4	-24.2	-26.7
Ann % change (3m/3m)	39.8	-12.0	-27.3	-25.5	-25.1
Ann % change (12m/12m)	67.2	7.1	-21.1	-22.1	-23.2

Seasonally adjusted unless otherwise indicated

It's a case of same old, same old. Labour market conditions continue to ease, and rapidly so. While there may be some suggestion of moderation in the pace of easing, there is nothing to indicate a likely improvement in conditions any time soon. Indeed, the data remain entirely consistent with very low employment growth and an increase in the unemployment rate to over 5% from its current 4%.

Job seekers may be disappointed

Job ads are continuing to fall. Excluding COVID lockdowns they are back to levels last seen in December 2016. Job ads are 27% below the same month a year earlier. The only redeeming feature is that the monthly trend decline of 1.7% was the lowest in 12 months.

But while ads are in decline, applications continue to rise strongly. This has meant that the job applications to job ads ratio has soared 128% in a year to another record high. The biggest increases are in the major centres with Auckland (the primary destination for migrants) up 141%.

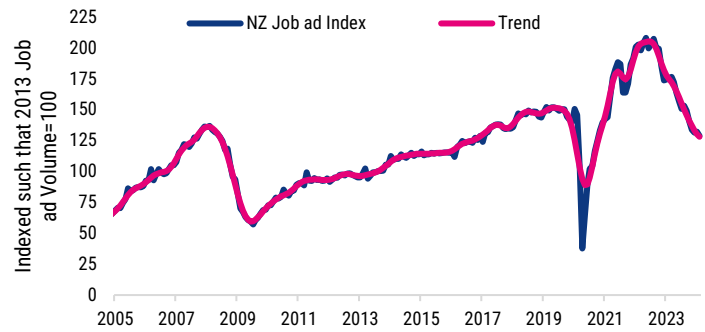
On a sectoral basis, the decline in opportunities in construction stands out. Applications to job ads in this sector are four and a half times higher than where they were pre COVID. For architects it's five times higher and engineers three times.

It will come as no surprise that job ads for government and recruitment weakened considerably this month.

Lawyers buck the trend

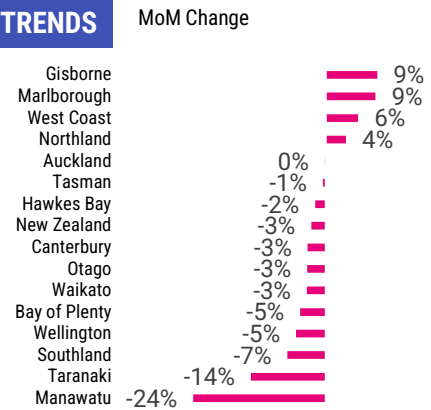
The legal sector is travelling a different path. Job ads rose 18% in the month to be 12% up on prior year levels. The job applicants to jobs ratio is also relatively well behaved. The legal profession will probably be the beneficiary of a change in government, as change brings opportunity in this sector. Moreover, recessions mean increased insolvency and restructuring work.

NZ JOB ADS



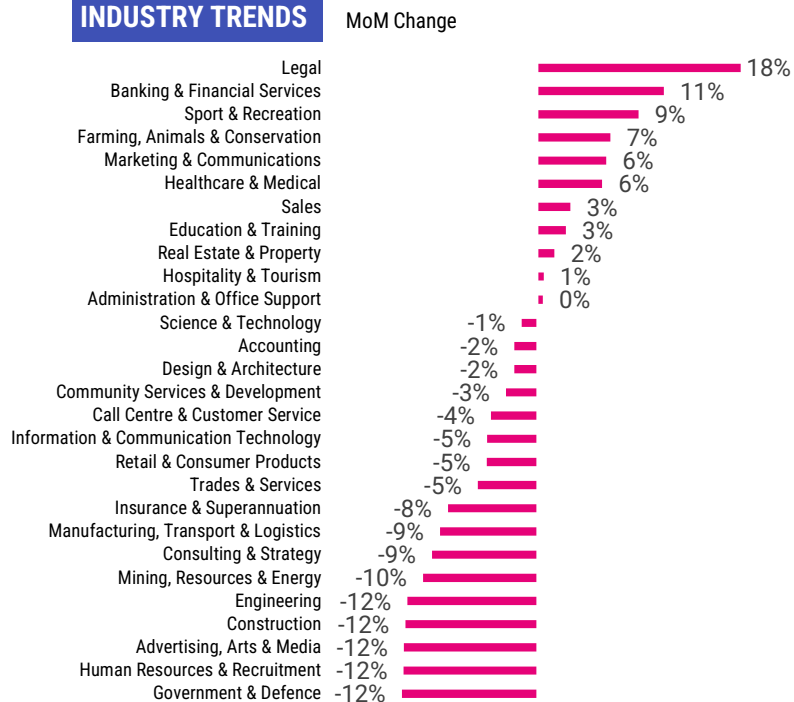
Source: SEEK, BNZ

REGIONAL TRENDS



Source: SEEK, BNZ

INDUSTRY TRENDS



Source: SEEK, BNZ



CONTACT DETAILS

BNZ RESEARCH

Stephen Toplis

Head of Research
+64 4 474 6905

Doug Steel

Senior Economist
+64 4 474 6923

Jason Wong

Senior Markets Strategist
+64 4 924 7652

Stuart Ritson

Senior Interest Rates Strategist
+64 9 924 8601

MAIN OFFICES

Wellington

Level 2, BNZ Place
1 Whitmore Street
Private Bag 39806
Wellington Mail Centre
Lower Hutt 5045
New Zealand
Toll Free: 0800 283 269

Auckland

80 Queen Street
Private Bag 92208
Auckland 1142
New Zealand
Toll Free: 0800 283 269

Christchurch

111 Cashel Street
Christchurch 8011
New Zealand
Toll Free: 0800 854 854

SEEK

Andy Maxey/ Laura Golden

SEEK
E: comms@seek.co.nz
P: +64 9884 1295

Lara Daly

Adhesive PR – SEEK
E: lara@adhesivepr.nz
P: +64 27 597 3709

This document has been produced by Bank of New Zealand (BNZ). BNZ is a registered bank in New Zealand and is only authorised to offer products and services to customers in New Zealand.

Analyst Disclaimer: The Information accurately reflects the personal views of the author(s) about the securities, issuers and other subject matters discussed, and is based upon sources reasonably believed to be reliable and accurate. The views of the author(s) do not necessarily reflect the views of the NAB Group. No part of the compensation of the author(s) was, is, or will be, directly or indirectly, related to any specific recommendations or views expressed.

BNZ maintains an effective information barrier between the research analysts and its private side operations. Private side functions are physically segregated from the research analysts and have no control over their remuneration or budget. The research functions do not report directly or indirectly to any private side function. The Research analyst might have received help from the issuer subject in the research report.

New Zealand: The information in this publication is provided for general information purposes only, and is a summary based on selective information which may not be complete for your purposes. This publication does not constitute any advice or recommendation with respect to any matter discussed in it, and its contents should not be relied on or used as a basis for entering into any products described in it. Bank of New Zealand recommends recipients seek independent advice prior to acting in relation to any of the matters discussed in this publication.

Any statements as to past performance do not represent future performance, and no statements as to future matters are guaranteed to be accurate or reliable.

Neither Bank of New Zealand nor any person involved in this publication accepts any liability for any loss or damage whatsoever which may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication.

USA: If this document is distributed in the United States, such distribution is by nabSecurities, LLC. This document is not intended as an offer or solicitation for the purchase or sale of any securities, financial instrument or product or to provide financial services. It is not the intention of nabSecurities to create legal relations on the basis of information provided herein.

SEEK Disclaimer: Data is provided by SEEK and includes the SEEK Employment Index (SEI). All Data is seasonally adjusted unless otherwise stated. The Data should be viewed and regarded as standalone information and should not be aggregated with any other information. The Data is provided in summary form and while care has been taken in its preparation, SEEK makes no representations whatsoever as to its completeness or accuracy. SEEK expressly bears no responsibility or liability for reliance placed by you on the Data or from the use of the Data by you. The SEI measures only new job ads posted within the reported month to provide a clean measure of demand for labour across all classifications. The SEI may differ to the job ad count on SEEK's website due to a number of factors including: 1) seasonal adjustments applied to the SEI; 2) the exclusion of duplicated job ads from the SEI; and 3) the exclusion of Company Listings (included under Company Profiles) from the SEI.

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.