

BNZ/SEEK Employment Report



18 November 2024

Labour market still deteriorating

Job ads decline in October

Employment contracting

Job ad trend appears to be flattening, at low level

West Coast and Otago outperform

OVERVIEW

SEEK NEW JOB ADS

	Oct-22	Oct-23	Aug-24	Sep-24	Oct-24
m/m % change	-0.1	-5.5	-1.5	-0.6	-1.4
m/m % change (trend)	-3.1	-3.2	-1.4	-0.5	-0.1
3m/3m	-0.7	-6.5	-11.1	-5.1	-3.0
Ann % change (m/m)	16.7	-29.4	-30.7	-29.2	-26.2
Ann % change (3m/3m)	21.7	-27.0	-31.4	-29.5	-28.8
Ann % change (12m/12m)	23.0	-17.9	-28.2	-28.6	-28.3

Seasonally adjusted unless otherwise indicated

Job ads are down 26.2% on a year ago, after a decline of 1.4% m/m in October. This is consistent with ongoing loosening in the labour market. Last week, the Treasury noted that “recent second-tier data has been suggestive of a turning point in the economy.” That might well be true, and employment intentions have improved in some recent business surveys, but we continue to expect the labour market to lag the broader economic recovery. October’s job ads support that view.

Employment contracting

In the year to September 2024, employment contracted 0.4%, the biggest decline since March 2010. The annual contraction in full-time employment was even greater at 0.7%. Job ads for full-time work have declined more sharply over the past year relative to part-time positions. The unemployment rate rose to 4.8% in the September quarter from 4.6% in the June quarter, and our economic forecasts remain for this to peak around 5.5% next year. In October, the RBNZ noted that “labour market conditions are expected to weaken further.” The RBNZ will consider job ads as part of its wide range of labour market indicators.

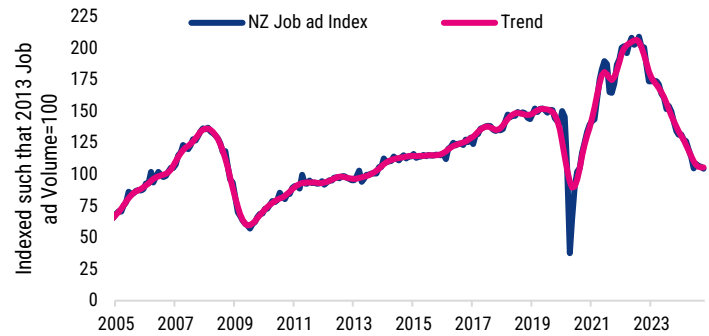
Job ad trend appears to be flattening

The trend for job ads has been falling for 27 consecutive months. However, its rate of decline has slowed over recent months. Even if it portends some stabilisation, it is in the context of an historical low level.

West Coast and Otago outperform

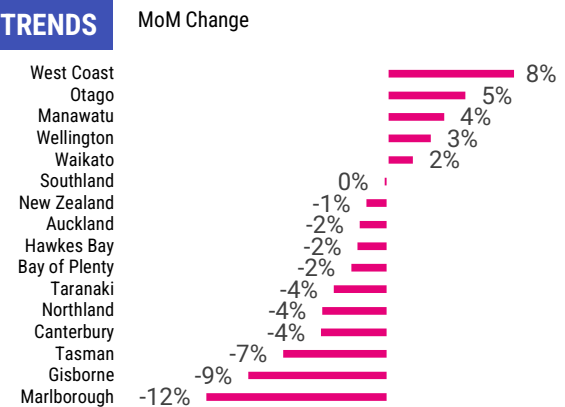
The sharp decline in job ads over the last year has been broad based across all the regions. However, the West Coast (-10.9%) and Otago (-12.7%) have seen the smallest annual drops. This relative outperformance continued in October. On a month-to-month basis, these two regions saw the strongest increase in job ads among the handful of regions that saw gains.

NZ JOB ADS



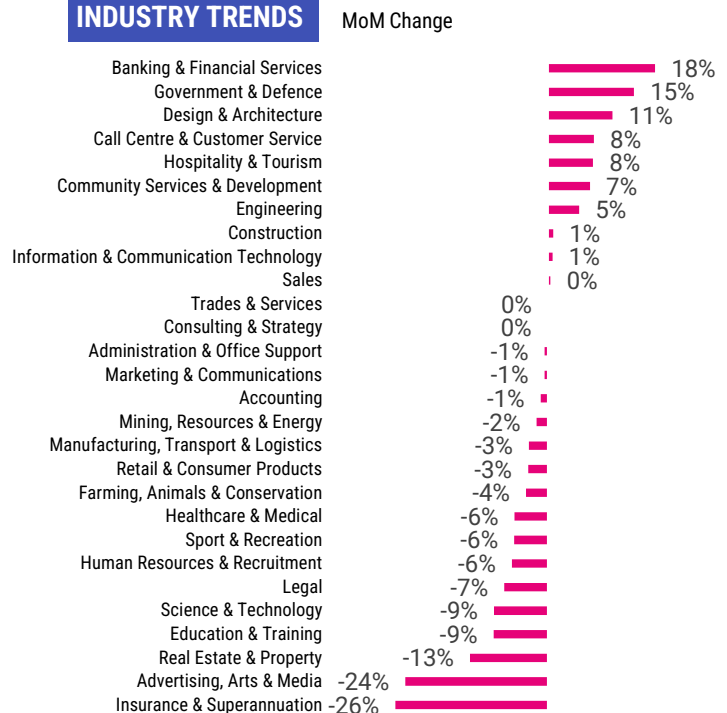
Source: SEEK, BNZ

REGIONAL TRENDS



Source: SEEK, BNZ

INDUSTRY TRENDS



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.