



21 October 2024

September Still Struggling

- Job ads decline again in September
- Labour intensive industries cutting back
- Wellington particularly hard hit
- New Zealand underperforming Australia

OVERVIEW

SEEK NEW JOB ADS

	Sep-22	Sep-23	Jul-24	Aug-24	Sep-24
m/m % change	-3.8	-2.6	3.5	-1.3	-0.5
m/m % change (trend)	-2.0	-3.2	-2.4	-1.2	-0.3
3m/3m	0.2	-7.8	-12.2	-10.8	-4.7
Ann % change (m/m)	22.1	-25.3	-28.6	-30.7	-29.1
Ann % change (3m/3m)	18.8	-25.7	-31.3	-31.4	-29.5
Ann % change (12m/12m)	24.5	-14.5	-27.8	-28.2	-28.6

Seasonally adjusted unless otherwise indicated

Job ads declined a further 0.5% m/m in September as the labour market continues to deteriorate. They are down 29.1% on a year earlier and weakness remains broad-based across the economy. Their general trend has been in decline since July 2022, and, while falling interest rates will be supportive, we expect the labour market to lag the broader economic recovery.

Labour intensive industries cutting back

Stepping back from month-to-month volatility, over the last 12 months we've seen the Consulting & Strategy (-43.6%), Administration & Office Support (-43.5%), and Call Centre & Customer Service (-42.5%) industries record the largest pullback in job ads. These sectors are labour intensive as businesses seek out ways to cut back on costs.

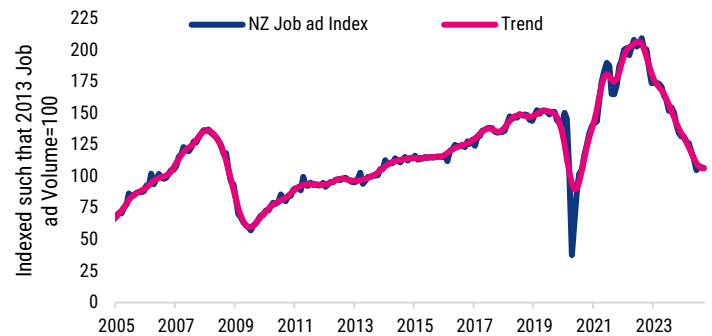
Wellington particularly hard hit

Job ads fell in 11 of the 15 regions in September. Wellington featured again. Excluding Covid, job ads in the capital are now at their lowest level since 2009. It has seen the equal largest annual drop (-40.2%), consistent with relatively weaker business confidence and housing activity. Applications per job ad in Wellington are up 82.9% on a year earlier and sit well above the rest of New Zealand.

New Zealand underperforming Australia

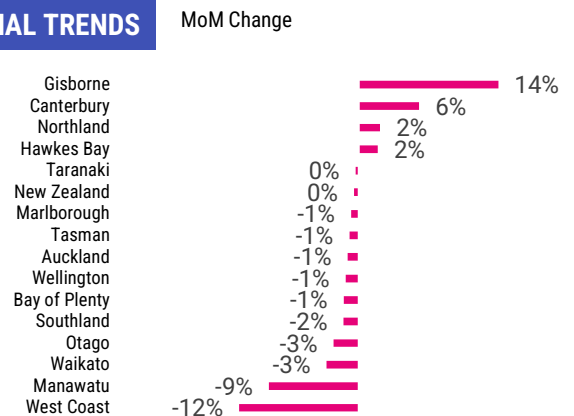
While Australia's labour market has weakened over the past year, it appears to be slowing at a gentler pace than NZ's. Job ads in Australia are down 11.1% on a year earlier, compared to 29.1% in NZ. Applications per job ad have increased over the last year, but to a lesser extent in Australia (+48.6%) than NZ (+55.3%). Given the relative near-term outlook for the respective labour markets, ongoing net migration outflow from NZ to Australia would not surprise.

NZ JOB ADS



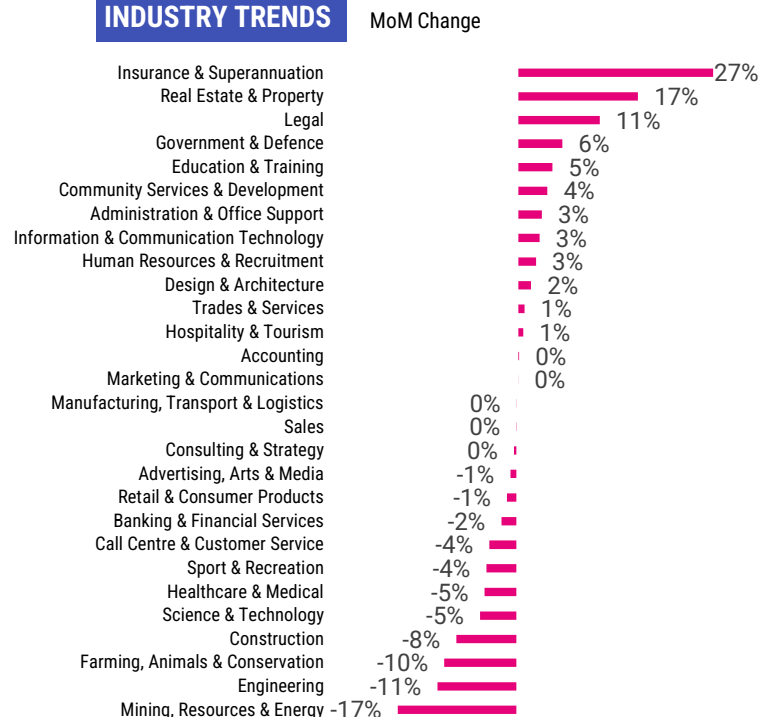
Source: SEEK, BNZ

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.