

ANZ NZ JOB ADS TICKING UP

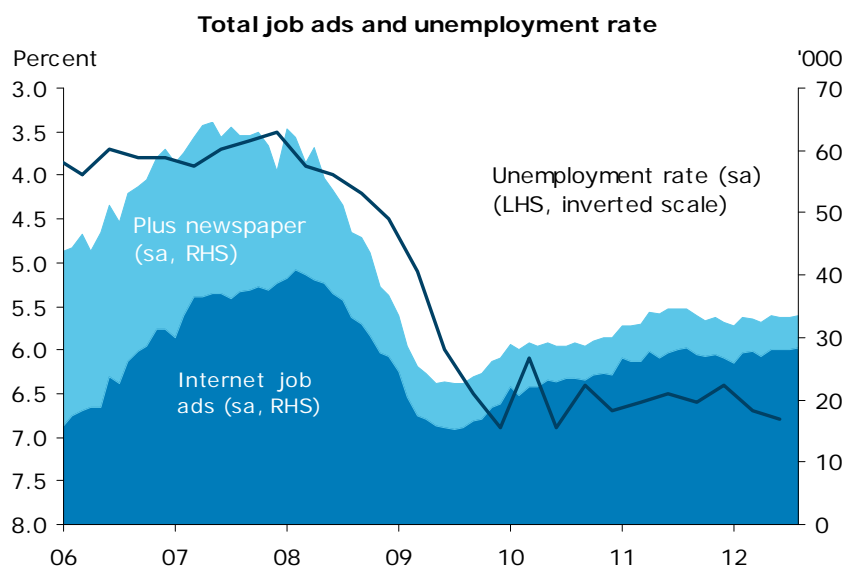
Data for August 2012,
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SUMMARY

- The ANZ New Zealand job advertisement series, which sums newspaper and internet ads, rose 0.9 percent in August (sa), following a 0.7 percent rise in July.
- The monthly rise was driven by a 1.5 percent lift in internet job advertisements, partly offset by a 2.6 percent fall in newspaper listings (both seasonally adjusted).
- Our “composite” total, which weights newspaper ads more heavily to give a better (inverse) indicator for the unemployment rate, fell 0.5 percent (sa).
- Newspaper ads have continued to trend gently down since the recession-related plummet was arrested in mid-2009. Internet ads have regained around half their losses, but this must be seen in the context of an increasing market share versus newspapers. By any measure, job ads suggest that the labour market recovery since the recession has been relatively tepid.
- Canterbury job ads continue to trend higher, while other regions remain flat. The dichotomy between a fairly flat Auckland jobs market and rebounding Auckland house prices is notable.



Sources: ANZ, Statistics NZ, Seek, Trade Me, NZ Herald, The Press, Dominion Post, Manawatu Standard, ODT, Waikato Times, Hawke's Bay Today

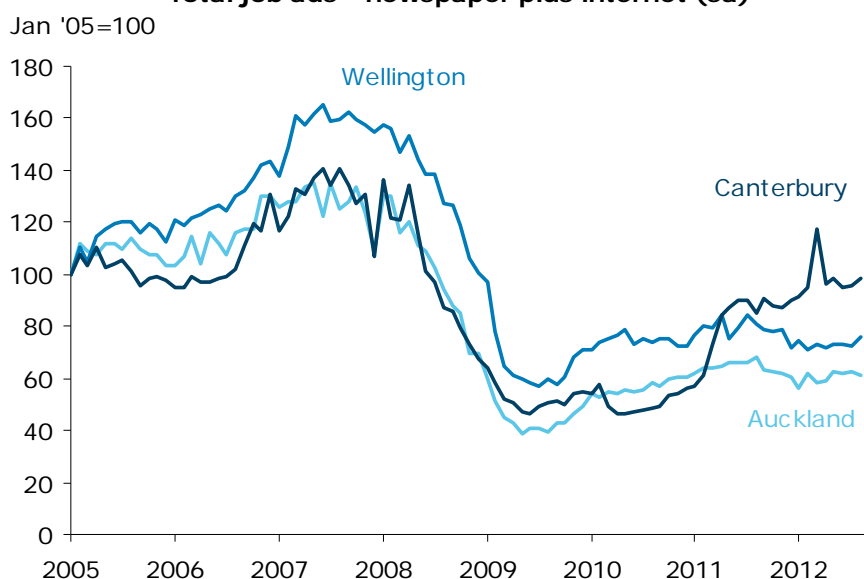
ANZ NZ JOB ADS

Total job advertisements rose 0.9 percent in August (seasonally adjusted), following a 0.7 percent rise the previous month. Newspaper job ads fell 2.6 percent following a rebound in July, while internet job listings rose 1.5 percent. The trend for overall ads remains flat.

Regional disparities remain marked. Auckland total job ads fell 1.7 percent in August, while Wellington and Canterbury ads rose (by 4.6 and 3.1 percent respectively). Looking through the monthly volatility, Canterbury is clearly the strongest main centre, with total advertisements continuing to trend gently up whereas Auckland and Wellington remain flat. **The dichotomy between a relatively flat Auckland jobs market and rebounding Auckland house prices is notable.** In the three months to August job advertising in Auckland was up 1 percent from six months earlier, but house prices in the region rose 6 percent. In comparison, Wellington job advertising rose 1 percent, while house prices dipped 1 percent, and in Canterbury job ads lifted 1 percent, with house prices rising 2 percent in the region.

The smaller centres (newspaper ads only) generally had a good month in August: Waikato, Hawke's Bay and Otago all managed consecutive increases, with the outlier being Manawatu, which again fell (all data is seasonally adjusted). With the marked exception of Canterbury, newspaper job ad numbers around the country have been gently trending down in recent years as newspapers lose market share to internet job search services.

Total job ads - newspaper plus internet (sa)

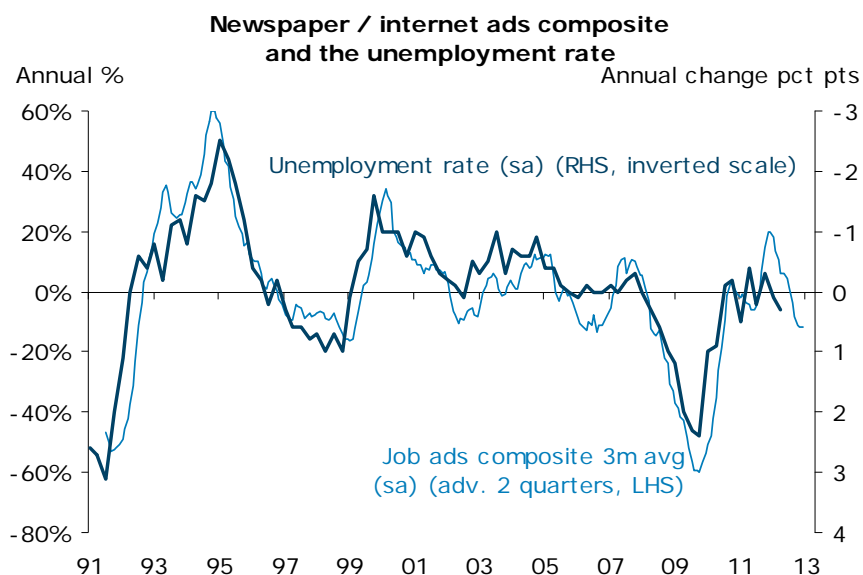


Sources: ANZ, Seek, Trade Me, NZ Herald, The Press, Dominion Post

At the national level, we focus on a weighted "composite" job advertisement series. Our composite measure has been calibrated to match changes in the unemployment rate as closely as possible (see chart over). This calibration places more weight on newspaper advertisements *vis-à-vis* online advertising by a factor of 5 to 1. Over time, internet job advertising has taken market share from newspapers, but not 1:1 (i.e. one newspaper ad has been replaced by several cheaper internet ads, often listed on multiple sites). Therefore, looking at just newspaper ads, just internet ads, or a simple sum suffers from a "structural break" over time.

ANZ NZ JOB ADS

Jobs ads of today are the physical employment of tomorrow. **Our composite measure tracks changes in the unemployment rate closely, with a six month lead.**



Our composite measure fell 0.5 percent in August (sa), which saw the annual change in the 3-month average unchanged at -12 percent. Overall, job ads data is consistent with an unemployment rate hovering around 7.0 percent in the second half of 2012.

	Newspaper Ads		Internet Ads		Total	
	Actual	S.A.	Actual	S.A.	Actual	S.A.
Aug-11	6,294	6,483	29,268	28,230	35,562	34,713
Sep-11	6,566	6,262	28,815	27,274	35,381	33,536
Oct-11	6,024	5,909	28,025	26,863	34,049	32,772
Nov-11	6,019	5,932	26,763	27,198	32,782	33,130
Dec-11	3,590	5,645	23,364	26,758	26,954	32,403
Jan-12	6,098	5,966	21,643	25,972	27,741	31,938
Feb-12	6,401	5,576	28,760	27,637	35,161	33,213
Mar-12	5,722	5,164	28,765	27,683	34,487	32,847
Apr-12	5,610	5,352	26,756	27,012	32,366	32,364
May-12	5,609	5,460	28,770	27,993	34,379	33,453
Jun-12	4,890	5,039	28,804	28,072	33,694	33,111
Jul-12	5,272	5,357	29,263	27,973	34,535	33,330
Aug-12	5,092	5,218	29,577	28,405	34,669	33,623

Sources: ANZ, NZ Herald, Dominion Post, Press, Waikato Times, Hawke's Bay Today, Manawatu Standard, Otago Daily Times, Seek, Trade Me

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