



16 April 2020

Hiring Freeze

Job ads dive 29% in March as COVID-19 disrupts

Regional declines fairly uniform

Varied rates of fall by industry

April on course for broader weakness

OVERVIEW

SEEK NEW JOB ADS

	Mar-18	Mar-19	Jan-20	Feb-20	Mar-20
m/m % change	0.6	-2.1	7.9	-7.7	-29.4
m/m % change (trend)	0.8	-0.6	-3.2	-4.3	-5.0
3m/3m	0.9	1.5	0.9	0.3	-8.5
Ann % change (m/m)	6.2	5.0	2.1	-4.5	-31.2
Ann % change (3m/3m)	7.8	8.0	0.0	-1.2	-11.0
Ann % change (12m/12m)	9.3	7.7	1.6	0.6	-2.5

Seasonally adjusted unless otherwise indicated

In light of the major disruption being caused by COVID-19, it wasn't surprising to see March job advertising fall as much as it did – 29.4% to be precise. This dwarfed February's slippage of 7.7%, and reflected in an annual fall also in the region of 30%.

Regional uniformity, industry variation

By region, there was a uniformity in the degree of annual fall for March itself. However, there was some variation in the industry detail of interest, if no great surprise. Tourism & Hospitality, for instance, recorded one of the very biggest 12-month drops, namely 45.5% y/y - albeit eclipsed by a 50.6% fall in Sport & Recreation. At the other end of the spectrum, advertising for positions in Farming, Animals & Conservation was just 1.9% shy of its year-ago level, while for Community Services & Development was comparatively steady.

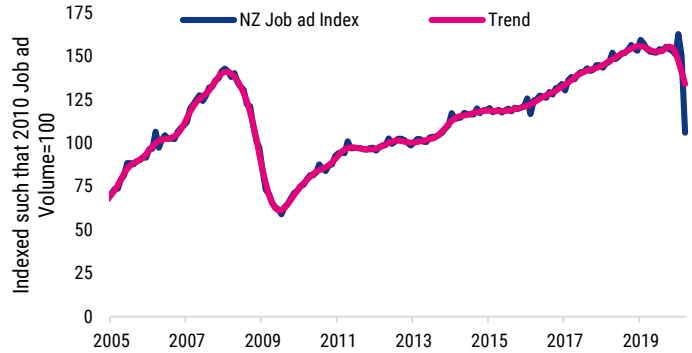
Brace for a weaker April

As big as March's drop was, greater weakness looks set to show in April's job advertising. We are unable, at this point, to present the week to week patterns for New Zealand. However, we note that, as a potential guide, SEEK Australia logged a 65% fall in its job advertising in the first week of April, compared to the corresponding week last year.

Hiring versus retention

A major positive for the NZ labour market has been the government's various support packages aimed at keeping as many people in jobs as possible, through the COVID-19 dislocation. Prime amongst these is the wage subsidy scheme. This has already paid out around \$7b (2.3% of GDP), covering more than 1 million employees and sole traders. However, keeping staff on is not quite the same thing as hiring – and it's the latter that's the more fundamental to job advertising.

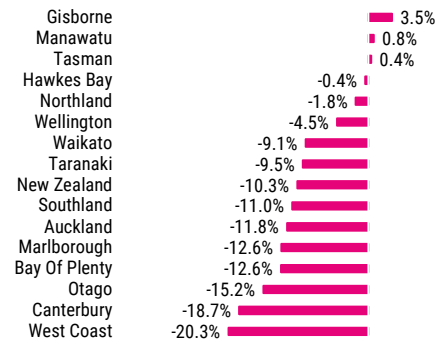
NZ JOB ADS



Source: SEEK, BNZ

REGIONAL TRENDS

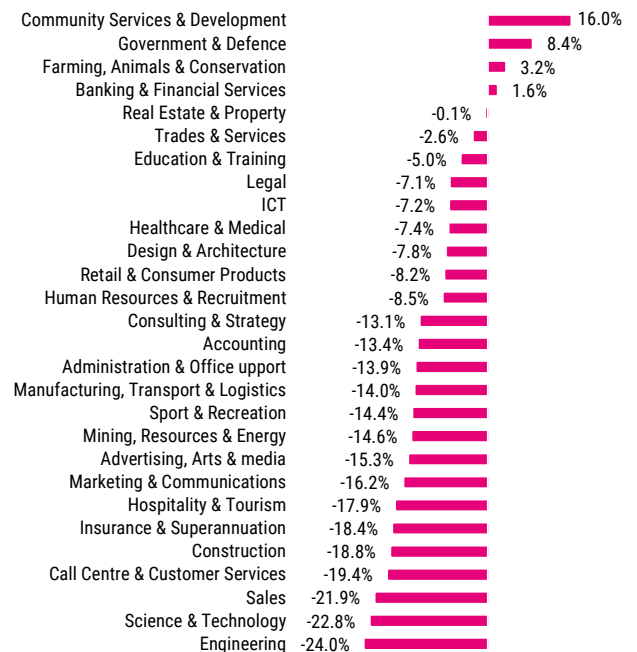
Ann % change (3m/3m)



Source: SEEK, BNZ

INDUSTRY TRENDS

Ann % change (3m/3m)



Source: SEEK, BNZ



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