



ManpowerGroup

**MEDIA CONTACT**

Natalie Hasapaki

+61 438 001 253

[nhasapaki@buchanwe.com.au](mailto:nhasapaki@buchanwe.com.au)

## **NEW ZEALAND HIRING INTENTIONS: POSITIVE MOOD HERALDS LOCAL TALENT SHORTFALLS**

*ManpowerGroup Employment Outlook Survey Q2 2017*

**NEW ZEALAND (EMBARGOED UNTIL 14 MARCH 2017):** *Steady workforce gains across New Zealand are anticipated in the upcoming quarter, with positive hiring opportunities forecasted throughout the nation, according to the latest ManpowerGroup Employment Outlook Survey released today.*

The survey of more than 650 local businesses found that 17 per cent of employers are set to increase their headcount in the April to June quarter, while three per cent aim to decrease headcount and the majority (78%) plan to make no change to their current workforce.

The resulting national Net Employment Outlook (NEO)<sup>1</sup> is +13%, down two percentage points from last quarter, and at a slight increase of four percentage points when compared to Q2 2016.

However, the rosy outlook, fueled by population growth from record net inflows of migrants who are adding to the economy's productive capacity, is tempered by concerns about upcoming shortages of local talent and potential salary pressure, particularly in the areas of technology and digital.

Richard Fischer, Managing Director, ManpowerGroup Australia and New Zealand, noted that the upcoming general election in September 2017 could also have an impact on business confidence and hiring intentions.

"Business optimism is generally linked to a stable government, meaning if we see a change in government at the September election, confidence may be disturbed. If history has shown us anything, it's that employers usually hold off on hiring until their collective confidence returns," Mr Fischer said.

When compared with the previous quarter, Outlooks have strengthened in three sectors (Finance, Insurance & Real Estate, Mining & Construction and Services) and two regions (Christchurch, Wellington), while year-over-year improvements are reported in six sectors and two regions, with only the Transportation & Utilities sector reporting a decline, and Christchurch remaining the same.

Hiring intentions are strongest in the Mining & Construction sector. Standing at +26%, the Outlook improved by five percentage points quarter-over-quarter, and 16 percentage points year-over-year. The Services sector followed with a slight increase of three percentage points quarter on quarter and five percentage point uptick year on year, resulting in an overall positive NEO of +15%.

---

<sup>1</sup> The Net Employment Outlook is calculated by subtracting the percentage of employers anticipating a decrease in hiring activity from the percentage of employers anticipating an increase in employment. Seasonal adjustment is then applied to the data.

“New Zealand remains a two-speed economy, with a greater demand for skilled candidates in construction and associated industries, as well as an increasing focus on IT roles, driving economic growth.

“At the same time, net migration to New Zealand is at a 10-year high. While these inflows are bringing much needed skills to the local market, there is also increased pressure on the housing market as a result. Despite the fact that we have seen a real boom in the New Zealand residential construction market, with a further 18,000 new homes being built in Auckland, the demand of homes is still exceeding supply, exacerbating the difficulty of finding talent locally,” Mr Fischer said.

Transportation & Utilities sector employers report the weakest sector Outlook for the next quarter (+7%). This marks a drop of 17 percentage points quarter-over-quarter and is down three percentage points year-over-year. This has resulted in the sector’s weakest Outlook in seven years.

Large businesses have reported the steepest drop in hiring intentions (19 percentage points) with a conservative NEO of +10%. Small businesses are faring better than their large counterparts, with small businesses reporting a slight two percentage point increase of quarter over quarter and a moderate seven percentage point increase year-over-year resulting in an upbeat NEO of +15%.

A regional comparison found that Auckland, which reported the strongest outlook in Q1 2017 has seen a moderate decrease of eight percentage points in hiring intentions quarter over quarter, reporting a respectable NEO of +11%. Christchurch saw a slight increase of two percentage points quarter-over-quarter and a moderate increase of eight percentage points year-over-year resulting in a NEO of +13%. Wellington reported the strongest hiring intentions for Q2 2017, with an increase of three percentage points quarter-over-quarter and a moderate increase of eight percentage points since this time last year, resulting in an upbeat NEO of +17%.

“Overall, the current state of the New Zealand labour market is stable yet cautious. While we are likely to see a continuing fall in unemployment, there are warning signs that it is time for a renewed focus on upskilling, primarily in the rapidly accelerating areas of technology and digital, where a talent shortage exists,” concluded Mr Fischer.

**Tag: @ManpowerGroupAU @ManpowerAU #MEOS #Employment**

**-ENDS-**

**Table 1. Net Employment Outlook Comparison by Region**

	Q2 2017	Quarter-on-Quarter Change	Year-on-Year Change
<b>NATIONAL</b>	<b>+13%</b>	↓ (-2%)	↑ (+4%)
<b>AUCKLAND</b>	+11%	↓ (-8%)	- (-/+0%)
<b>CHRISTCHURCH</b>	+13%	↑ (+2%)	↑ (+8%)
<b>WELLINGTON</b>	+17%	↑ (+3%)	↑ (+8%)

**Table 2. Net Employment Outlook Comparison by Sector**

	Q2 2017	Quarter-on-Quarter Change	Year-on-Year Change
Finance, Insurance & Real Estate	+15%	↑ (+1%)	↑ (+9%)
Manufacturing	+12%	↓ (-5%)	↑ (+4%)
Mining & Construction	+26%	↑ (+5%)	↑ (+16%)
Public Administration	+10%	↓ (-2%)	↑ (+3%)
Services	+15%	↑ (+3%)	↑ (+5%)
Transportation & Utilities	+7%	↓ (-17%)	↓ (-3%)
Wholesale Trade & Retail Trade	+14%	- (-/+0%)	↑ (+3%)

**Table 3. Net Employment Outlook Comparison by Organisation size**

	Q2 2017	Quarter-on-Quarter Change	Year-on-Year Change
Micro (<10)	+7%	↓ (-4%)	- (-/+0%)
Small (10-49)	+15%	↑ (+2%)	↑ (+7%)
Medium (50-249)	+20%	↓ (-4%)	↑ (+8%)
Large (>250)	+10%	↓ (-19%)	↓ (-9%)

**Table 4. APAC Q2 2017 results**

Country	Q2 2017	Quarter-on-Quarter change	Year-on-Year change
AUSTRALIA	+9%	- (-/+0%)	↑ (+5%)
CHINA	+4%	- (-/+0%)	↓ (-1%)
HONG KONG	+14%	↑ (+1%)	↓ (-1%)
INDIA	+18%	↓ (-5%)	↓ (-20%)
JAPAN	+23%	- (-/+0%)	↑ (+1%)
NEW ZEALAND	+13%	↓ (-2%)	↑ (+4%)
SINGAPORE	+8%	↓ (-1%)	↓ (-2%)
TAIWAN	+24%	- (-/+0%)	↑ (+3%)

**About ManpowerGroup**

ManpowerGroup® (NYSE: MAN) is the world's workforce expert, creating innovative workforce solutions for nearly 70 years. As workforce experts, we connect more than 600,000 people to meaningful work across a wide range of skills and industries every day.



ManpowerGroup®

Through our ManpowerGroup family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – we help more than 400,000 clients in 80 countries and territories address their critical talent needs, providing comprehensive solutions to resource, manage and develop talent. In 2016, ManpowerGroup was named one of the World's Most Ethical Companies for the sixth consecutive year and one of Fortune's Most Admired Companies, confirming our position as the most trusted and admired brand in the industry. See how ManpowerGroup makes powering the world of work humanly possible.