

WESTPAC : McDERMOTT MILLER EMPLOYMENT CONFIDENCE INDEX JUNE 2012

BACKGROUND

The Westpac: McDermott Miller Employment Confidence Index is calculated from a specific section of the Westpac: McDermott Miller Consumer Confidence Survey. This survey is carried out under joint sponsorship by Westpac and consulting firm McDermott Miller on a quarterly basis. The questions on which the Employment Confidence Index is based were added initially to the Survey in June 2004.

EMPLOYMENT CONFIDENCE INDEX

The five Employment Confidence Index questions are:

1. *Do you think jobs are plentiful or hard to get?*
2. *Do you think job opportunities in New Zealand in a year's time compared to now will be more plentiful, harder to get or about the same?*
3. *Do you earn more, less, or the same in your paid work now compared to this time last year?*
4. *Do you expect to be earning more, less or the same in your paid work this time next year?*
5. *Would you say your job is likely to be more or less secure over the coming year than now?*

The first two questions are asked of all respondents (1570), the remainder to those declaring they are in paid work (903 or 58% of respondents).

The **Employment Confidence Index** is calculated by McDermott Miller from percentage responses to the five questions. It is 100 plus the unweighted average of the difference between positive/optimistic responses and negative/pessimistic responses. A score above 100 shows more optimism than pessimism and vice versa for a score below 100. The **Current Employment Conditions Index** is calculated similarly by McDermott Miller from the questions on perception of current job opportunities and change in personal earnings over the last year. The **Employment Expectations Index** is calculated from the questions on expectations of change over the coming year in: job opportunities, personal earnings and job security.

SURVEY SPECIFICATIONS OF MARCH 2012 EMPLOYMENT CONFIDENCE SURVEY

The **Sample Universe** is all households in permanent private dwellings in New Zealand. A **Sample Size** of 1570 interviews in June 2012 was obtained following a 46% response rate. Survey interviews were conducted during 1 – 10 June 2012, between the hours of 6 pm and 9 pm weekdays, 12 Noon and 7.30 pm Saturday and Sunday and 1 pm and 4 pm on Queen's Birthday Monday.

The **Margin for error** for the questions used for the Employment Confidence survey is a maximum of plus or minus 2.5% at 95% confidence

The **Sampling Technique** employed is stratified by Regional Council region, with randomised quotas within regions based on local telephone directories. Respondent's towns of residence are recorded, allowing analysis by a three-way split: **Metropolitan Centres** (Auckland, Wellington, and Christchurch) **Secondary Centres** (ranging in size from Timaru up to Hamilton and Dunedin), or **Rural** (the remainder).

The **Data Collection Methodology** is computer aided telephone interviews. The Survey is conducted by McDermott Miller. **Respondent Recruitment** selects the household member over 18 years whose birthday falls next. Up to three call-backs are mandatory where the target respondent is not available. No incentives are offered. **Quality Control** is assured by close management of field administrators and interviewers by a Senior Consultant. All telephone numbers and response codes are recorded by each interviewer and random auditing of respondents is carried out.

TREATMENT OF CHRISTCHURCH MARCH 2011

Out of respect for the situation of Christchurch residents following the earthquake of February 22, 2011 these respondents were not interviewed in March 2011; instead, additional respondents from the rest of Canterbury were interviewed. Any comparison of March quarter 2011 Canterbury results with earlier quarterly results must be made with caution. The "Metropolitan Centres" results for March 2011 only include Auckland and Wellington urban area respondents, so again comparisons across time must be made with caution.

ACKNOWLEDGEMENT

The Westpac: McDermott Miller Employment Confidence Index is owned by McDermott Miller Limited. Westpac : McDermott Miller should be acknowledged as the source when citing the Employment Confidence Survey and Index. Graphs supplied may be reproduced by the news media provided the Westpac : McDermott Miller logo remains inset.

All enquiries should be addressed to:

Richard Miller
Managing Director
McDermott Miller Limited
PO Box 629
Wellington

Telephone: (04) 471-8500 (Business)
(027) 451 0158 (Mobile)
(04) 479-5853 (Home)
Email: RMiller@mcdermottmiller.co.nz

McDERMOTT MILLER LIMITED *Strategy Consultants*

CPO BOX 629 WELLINGTON NEW ZEALAND
2nd FLOOR 90 THE TERRACE WELLINGTON
TELEPHONE (04) 471-8500

EMAIL strategies@mcdermottmiller.co.nz WEB www.mcdermottmiller.co.nz