

WESTPAC : McDERMOTT MILLER EMPLOYMENT CONFIDENCE SURVEY

JUNE 2012

"Employment Confidence in New Zealand has fallen for the fourth quarter in a row", announced Richard Miller, Managing Director of Strategy Planning Consultancy McDermott Miller. "The Westpac: McDermott Miller Employment Confidence Index for New Zealand in June 2012 stands at 96.2, down 2.6 points from March 2012. This is 9.9 points below its peak optimism of 106.1 in June 2011, and the third most pessimistic level since the beginning of the series in June 2004", he observed.

"Public sector employees remain much more pessimistic than private sector employees. The Public Sector Employment Confidence Index fell a further 3.8 points to 89.7," Richard Miller noted. "This is the lowest since public sector confidence was first measured in March 2006. Most public sector employees think jobs are hard to get (a net 69%), many think jobs will be even scarcer in the year ahead (net 24%), only a net 23% expect an improvement in future earnings, and a net 4% think jobs will be less secure."

"In contrast, private sector employees remain slightly optimistic at 100.5, but their confidence is down 1.1 points, to the lowest index level recorded since June 2009," Richard Miller said. "Fewer private than public sector employees think jobs are hard to get (net 55%), and private sector employees are less pessimistic than their public sector counterparts about job opportunities in the year ahead (a net 5% expect jobs to be harder to get). Private sector employees are also more positive about future earnings (a net 30% expect an improvement) and personal job security (a net 7% expect jobs to be more secure)."

"The divergence between public and private sector employment confidence reflects different perceptions of the job market. Public sector employees are caught in an ongoing process of public sector restructuring and job losses; job security is shaken within their sector while opportunities outside are few and far between. Private sector employees in contrast felt the employment losses and constraints of recession earlier and are sitting tight waiting for the economic recovery," observed Richard Miller.

"The sentiment that both public and private sector employees share is anxiety over international economic conditions. Until this situation changes, employment confidence in New Zealand is likely to remain low," concluded Richard Miller.

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Index Background

The Consumer Confidence Index is based on a survey of a representative sample of 1570 New Zealand households interviewed during 1-10 June 2012. It analyses answers to five standard questions on personal financial circumstances, expectations for the economy and attitude to buying substantial household items. Index scores measure consumer confidence in the economy, with a score of greater than 100 showing more optimism than pessimism and vice versa for a score below 100.

Acknowledgement

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