

**WESTPAC : McDERMOTT MILLER EMPLOYMENT CONFIDENCE SURVEY**

**MARCH 2016**

“The Westpac : McDermott Miller Employment Confidence Index for New Zealand lifted 3.3 index points in the March 2016 quarter,” announced Richard Miller, Managing Director of Strategy and Economics Consultancy, McDermott Miller. “Employment confidence continues to consolidate in positive territory with the employment confidence index for New Zealand now standing at 104.8.”

“The positive movement in the index has been led by employees working in the Private Sector, with their confidence level now 106.2, up 2.7 points compared to the December quarter”, observed Richard Miller.

“Confidence of Public Sector employees remains cautiously optimistic at 101”, he said.

“Employees in both Public and Private sectors think jobs are harder to get, and are negative about the situation improving much in the year ahead”, said Richard Miller.

“Private Sector employees are more confident about job security than last quarter, up 4 points to 15.8 (on this component of the Employment Index) and expect earnings in paid work to improve over the coming year” observed Richard Miller, “In contrast, Public Sector employees are less confident about job security in the year ahead than Private Sector employees, and more pessimistic about job opportunities a year from now”.

“Public Sector employees with negative views on New Zealand’s short term economic outlook, and by implication employment prospects, are more likely to attribute their feeling to “wrong” government economic policies than their Private Sector counterparts”, he noted. “In contrast, Private Sector employees see farming and low dairy prices as the main reason for being pessimistic about the outlook for increased employment opportunities”, reported Richard Miller.

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**Index Background**

The Index is based on survey results of a representative sample of 1554 New Zealand households interviewed during 1-11 March 2016. It is made up of five component questions: (1) whether people feel that jobs are plentiful or hard to get now; (2) what job opportunities will be like in a year's time; (3) whether they are earning more or less now compared to a year ago; (4) what their earnings will be like in a year's time; and (5) how secure they feel in their present job. Questions 1 to 5 are used in the Employment Confidence Index, while questions 1 and 3 are used to calculate a Current Employment Conditions Index and questions 2, 4 and 5 are used to calculate an Employment Expectations Index.

The Index is intended to provide an indication of the level of job security amongst NZ workers and their wage expectations, and hence an insight into their willingness to spend. Over time, it is possible the Index may become a leading indicator for employment growth.

**Acknowledgement**

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