

WESTPAC : McDERMOTT MILLER EMPLOYMENT CONFIDENCE SURVEY

SEPTEMBER 2013

“Employment Confidence in New Zealand slipped in the September Quarter 2013” announced John McDougall, Director Forecasting of Strategy Planning Consultancy McDermott Miller. “The Westpac: McDermott Miller Employment Confidence Index for New Zealand in September 2013 stood at 102.8, down 1.4 points from June 2013”.

“The pattern for the employment confidence of Private Sector employees to be above that of their Public Sector counterparts is continuing” said John McDougall. “The Employment Confidence Index for Private Sector employees declined marginally from 107.6 in June to 106.7 in September. In contrast that for the Public Sector increased slightly, from 98.0 to 99.3” John McDougall said. “Consequently there was a slight reduction in the spread of Employment Confidence between Private and Public sector employees – from 9.6 points in June to 7.4 points in September”.

“The modest lift in Public Sector employment confidence between June and September came from a 6.9 point positive movement in expectations of earnings over the next year and a 6 point movement in perceptions of personal earnings having improved over the past year” observed John McDougall. “The largest single contribution to the decline in Private Sector employees’ confidence was their response to questions on net perceptions of current availability of jobs, which moved 4.5 points in the negative direction.”

“Of the five questions that underlie the Employment Confidence Index, Private Sector employees have the more positive net responses on four”, John McDougall noted. “These are perceptions of current job opportunities in NZ (11.8 points higher than Public Sector employees), expected job opportunities in NZ (14.8 points higher), expectations of personal earnings (2.7 points higher) and job security (10.9 points higher). Only on perceptions of personal earnings over the past year are Private Sector employees less positive than Public Sector employees (by 3.1 points).”

“The divergence in employment confidence between Private and Public Sector employees reflects their respective Consumer Confidence (Westpac: McDermott Miller Consumer Confidence Consumer Confidence Indices of 125.4 and 114.1 respectively). The Private Sector group expects its prospects to improve as the economy recovers, but the Public Sector group knows the Government’s squeeze on the Public Sector will continue”, John McDougall concluded.

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Index Background

The Consumer Confidence Index is based on a survey of a representative sample of 1571 New Zealand households interviewed during 1-11 September 2013. 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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