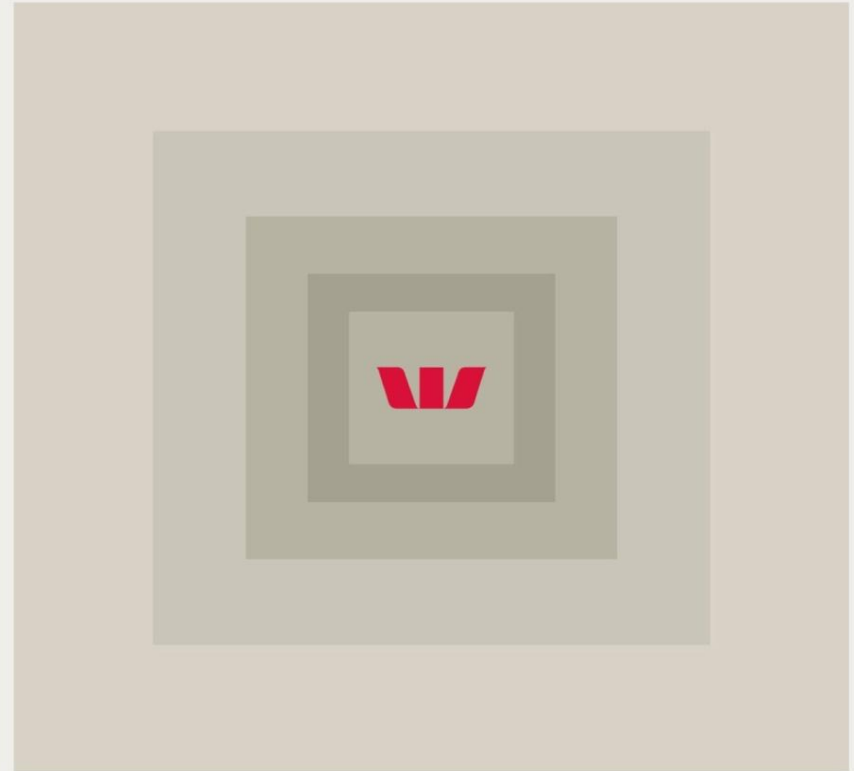


# Economic Update

Westpac Jobs Index

Prepared by Westpac Economics

March 11th, 2014



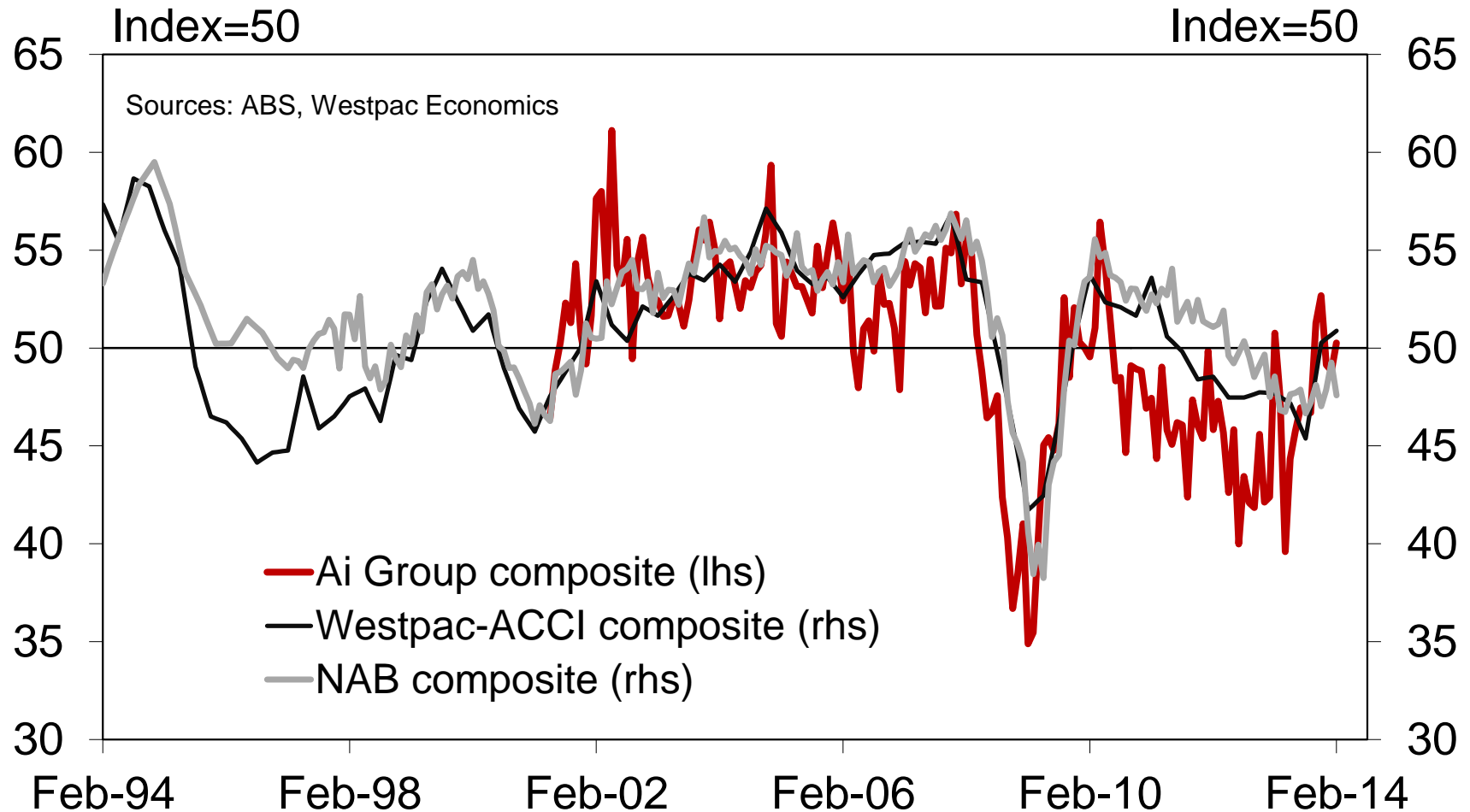
# Westpac's Jobs Index

## *A systematic review of the job indicators in the business surveys*

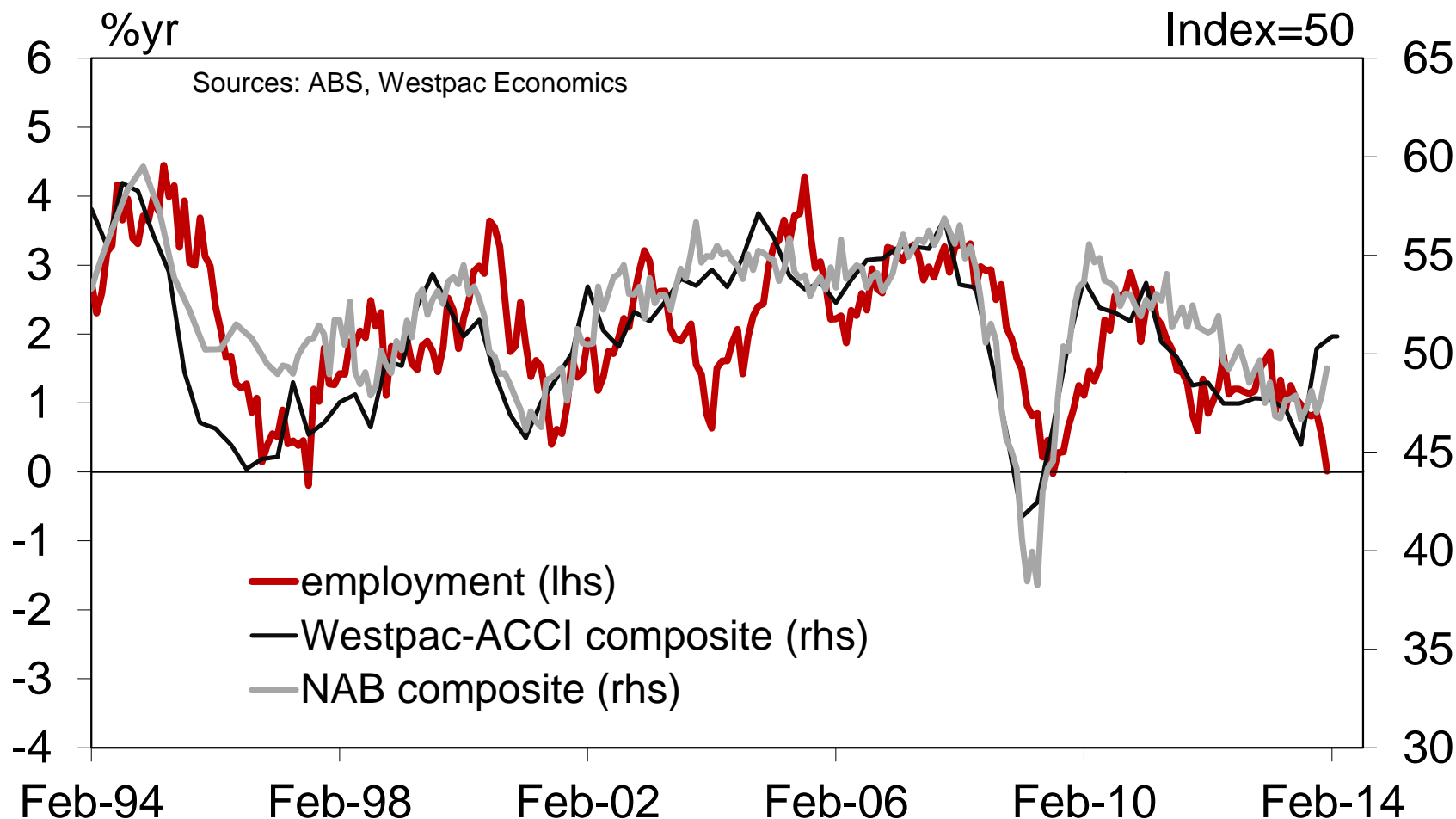
- There are many business surveys out there and most have questions, in some shape or form, that are applicable to the labour market. To broaden the depth and width of these surveys, Westpac compiles all the relevant indicators we can find into the proprietary Westpac Jobs Index.
- With the release of the NAB monthly survey we can complete our Feb Jobs Index. The Index fell to 49.5 in Feb from 49.6 in Jan. The recent peak in the index was 49.8 in Nov 2013. Note the index is calculated so its long-run average is equal to 50. The most recent low was a 44.8 print in Apr 2013.
- Westpac's Jobs Index correctly indicated that the pace of total employment growth would slow to around 1%yr, or less, in the second half of 2013. The ABS reported total employment growth of just 0.5%yr in the year Dec falling to flat in the year to Jan 2014.
- The index is suggesting that we have passed the low point in the labour market and we should see an improvement through the first quarter of 2014. But at sub 50 it still points to a labour market underperforming population growth. Hence it is still consistent with a rising rate of unemployment (Westpac forecast peak 6½%).

# Key business surveys for employment

Composites of various employment related questions with 50=the long run average

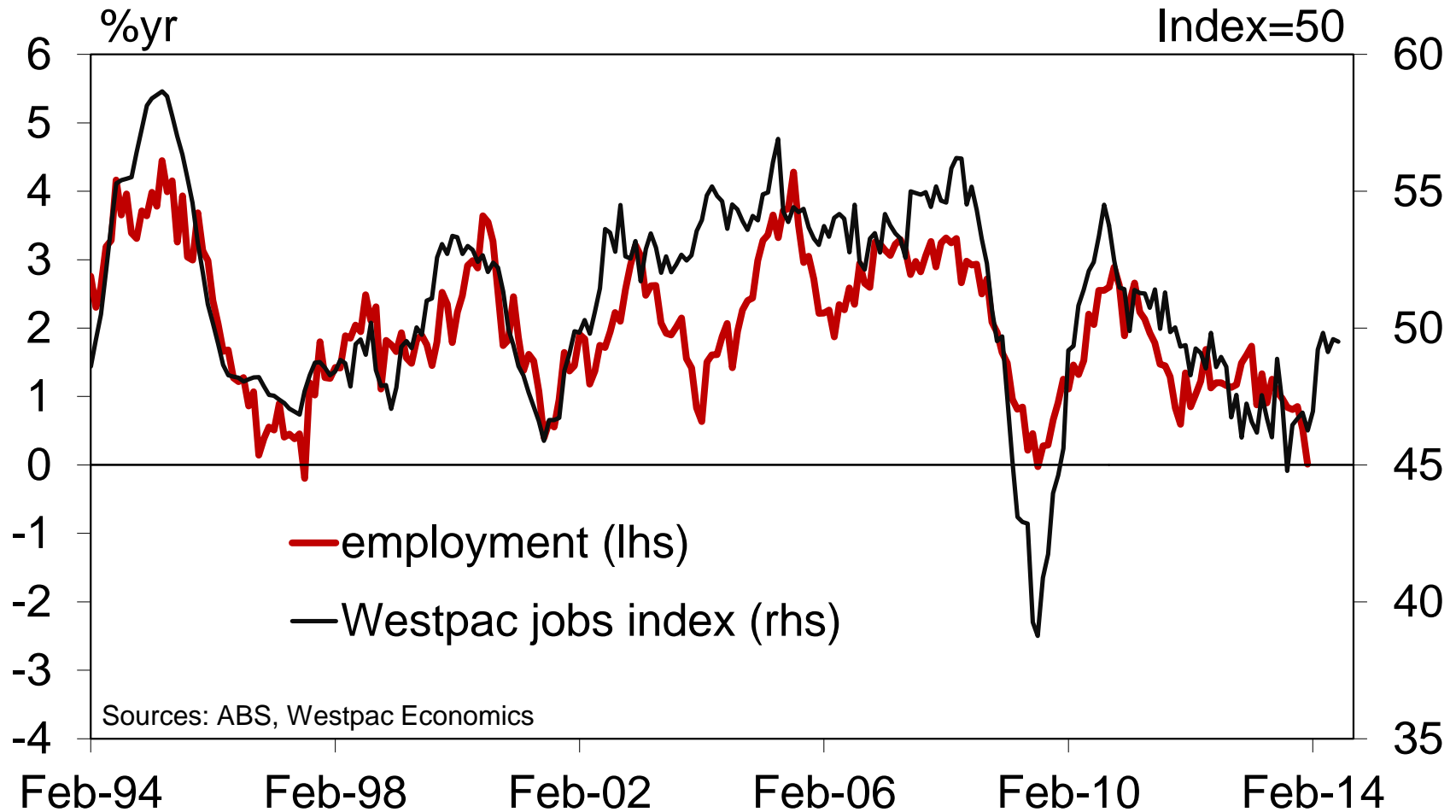


# How the indexes compare to employment

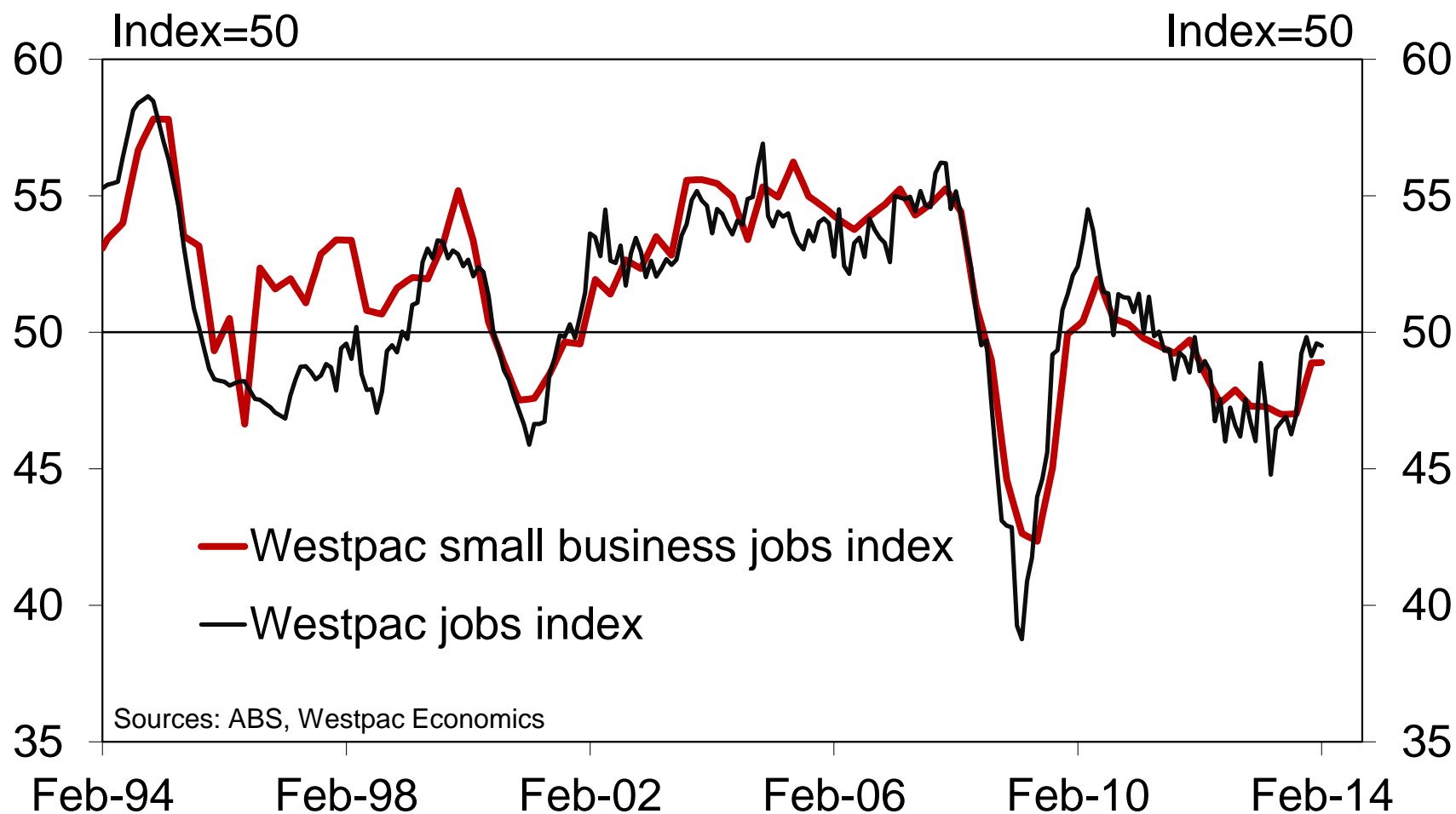


# Westpac jobs index

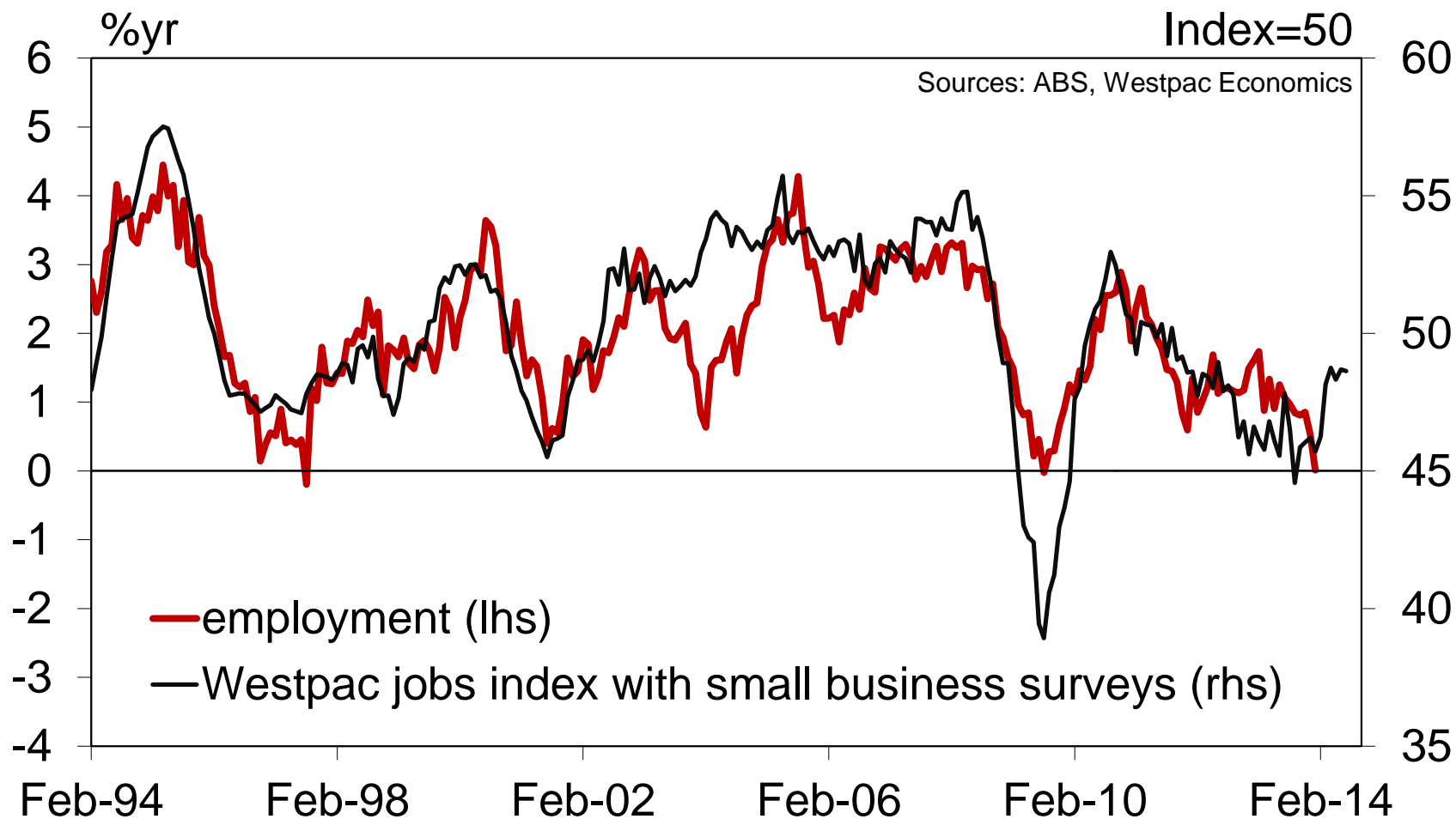
A composite of the various business surveys employment indicators



## Small business surveys vs. the rest



## Jobs index – with small business survey



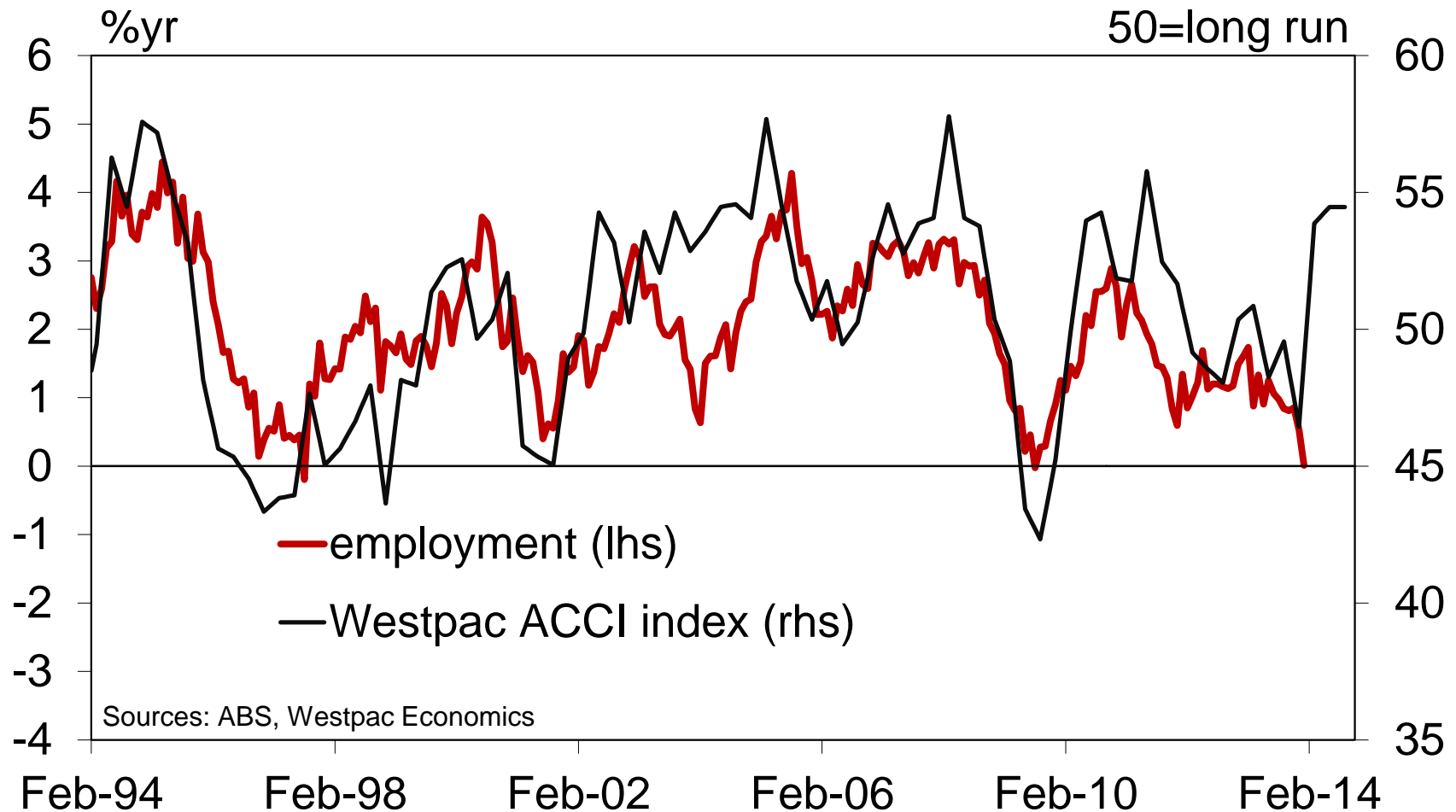
# Westpac's job index

## *The individual survey results*

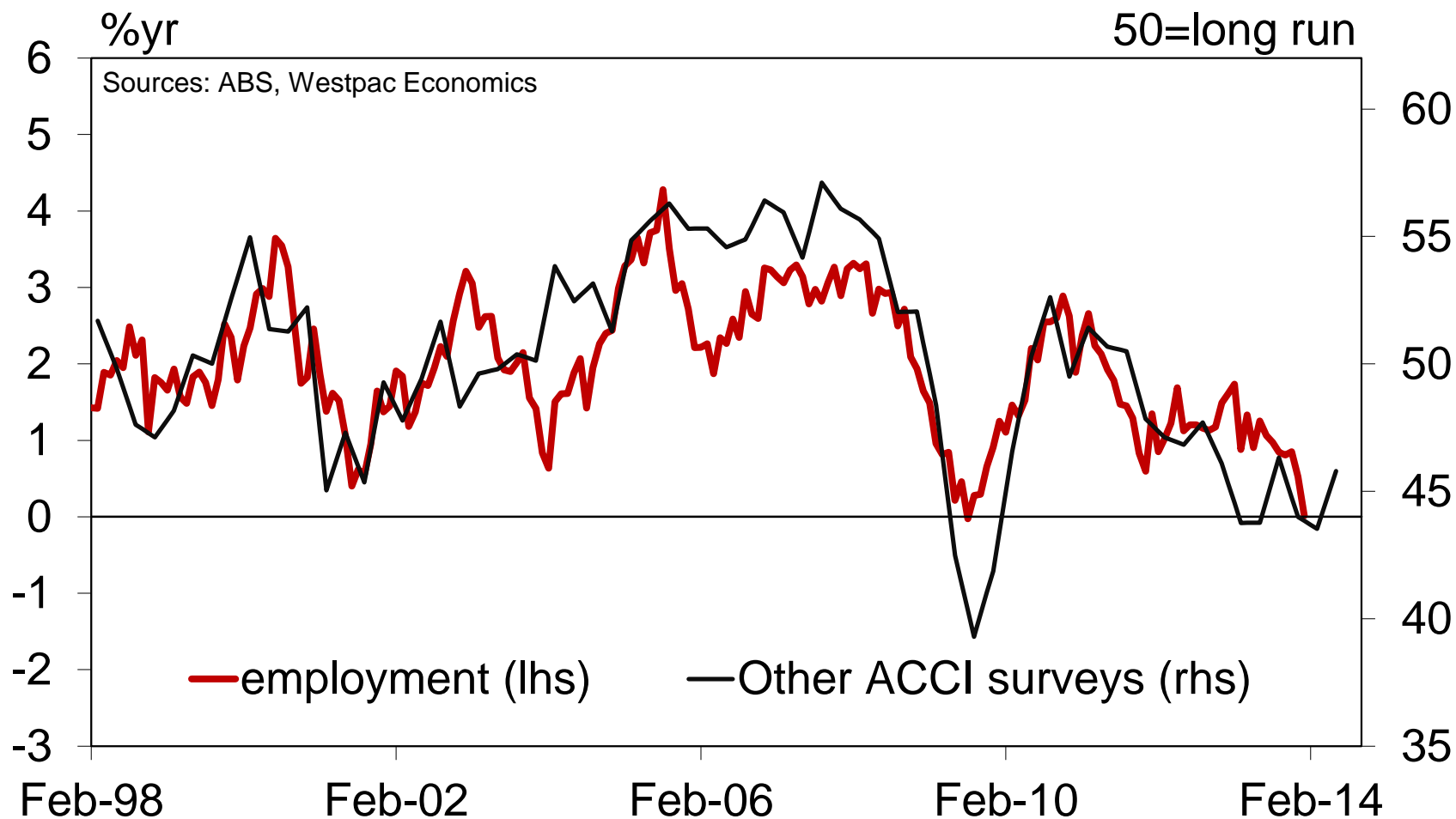
- Westpac–ACCI & the other ACCI surveys
- NAB actual employment and Westpac's job composite from the NAB surveys.
- sfsdfdsfsdf.
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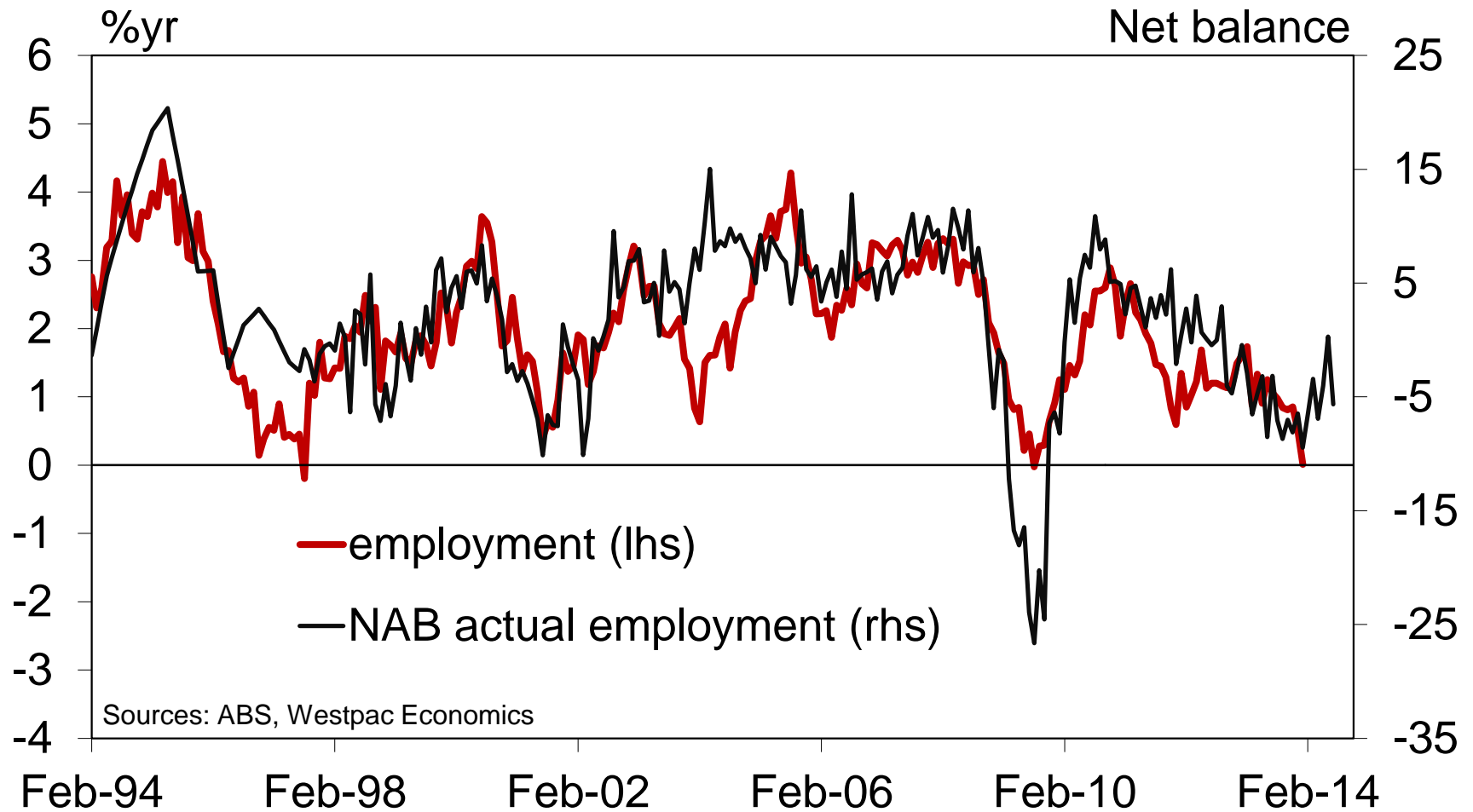
# The long running Westpac ACCI index



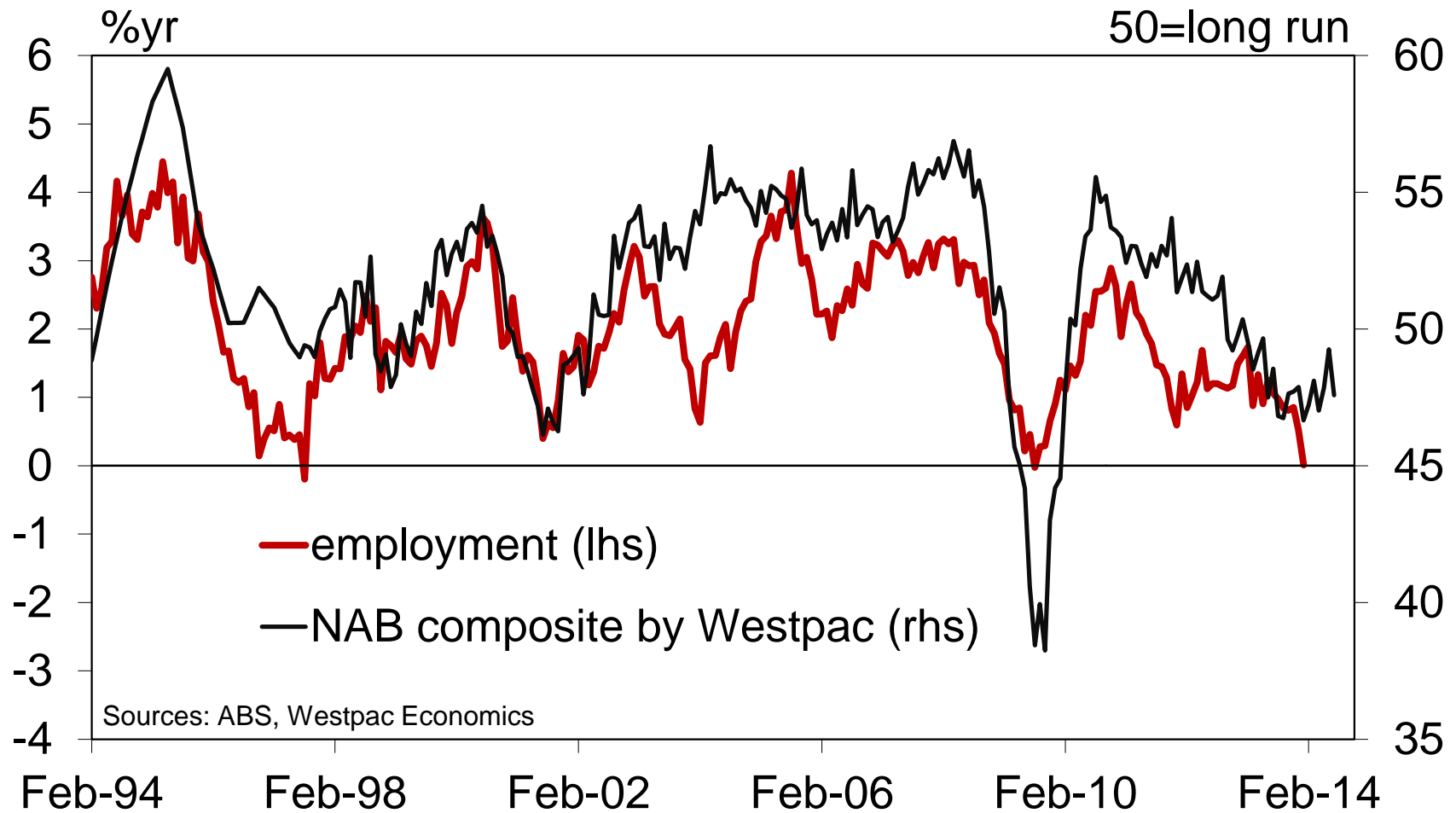
## Other ACCI surveys as a composite



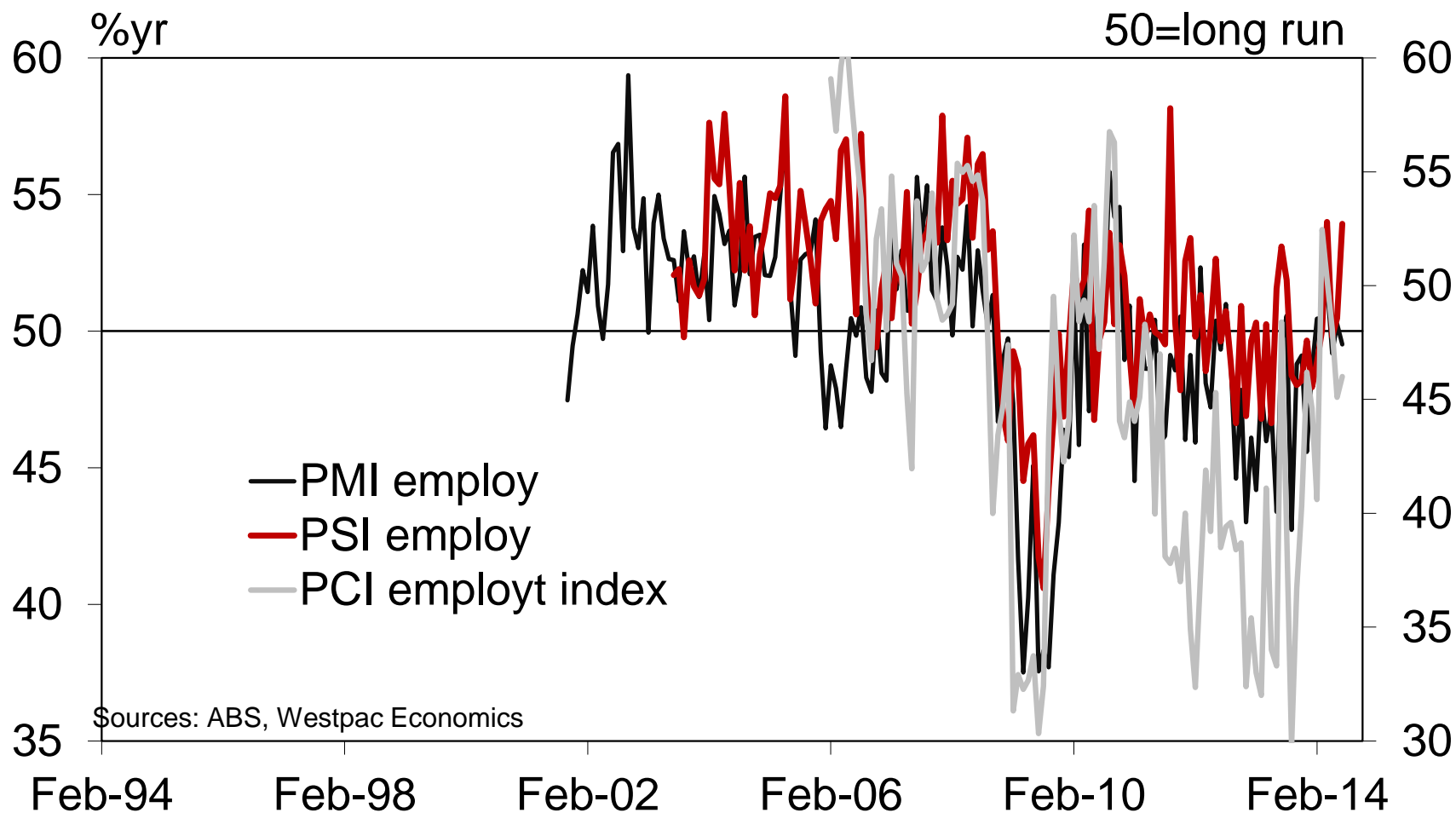
# NAB actual employment question



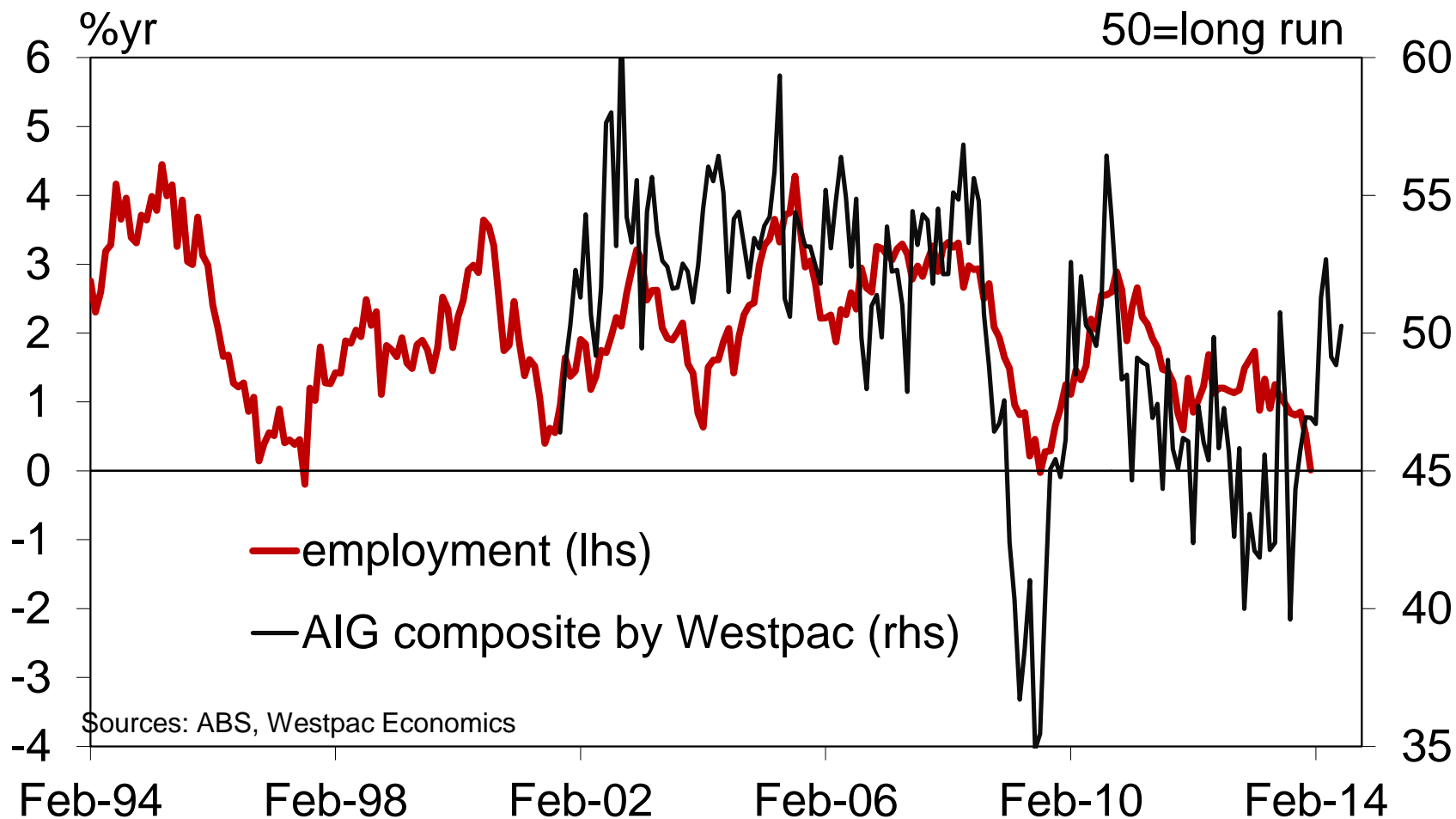
# Westpac's composite of the NAB surveys



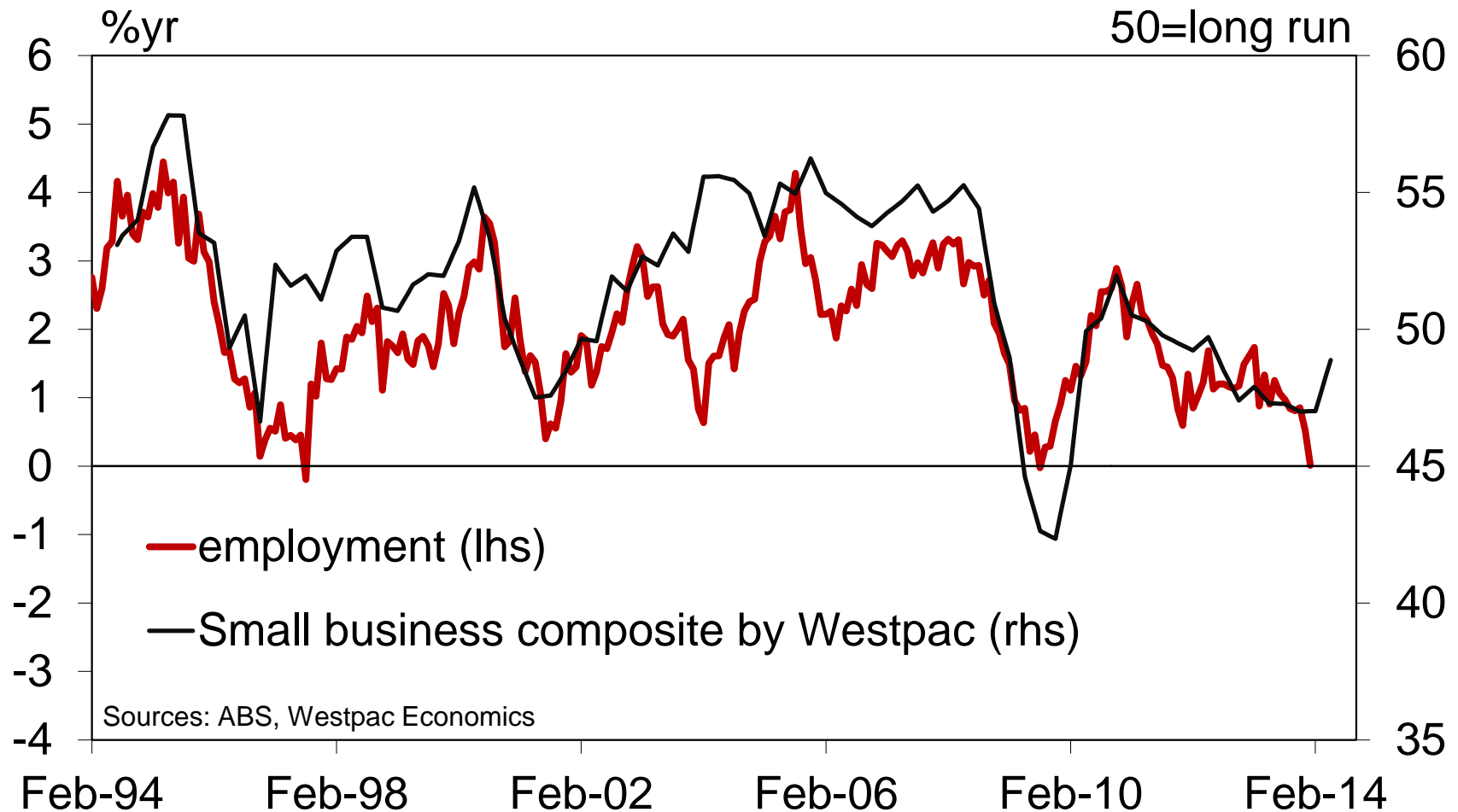
## The AIGroup surveys are very noisy



## Westpac's composite of AIGroup is a bit better



# Westpac's composite of the small bus surveys



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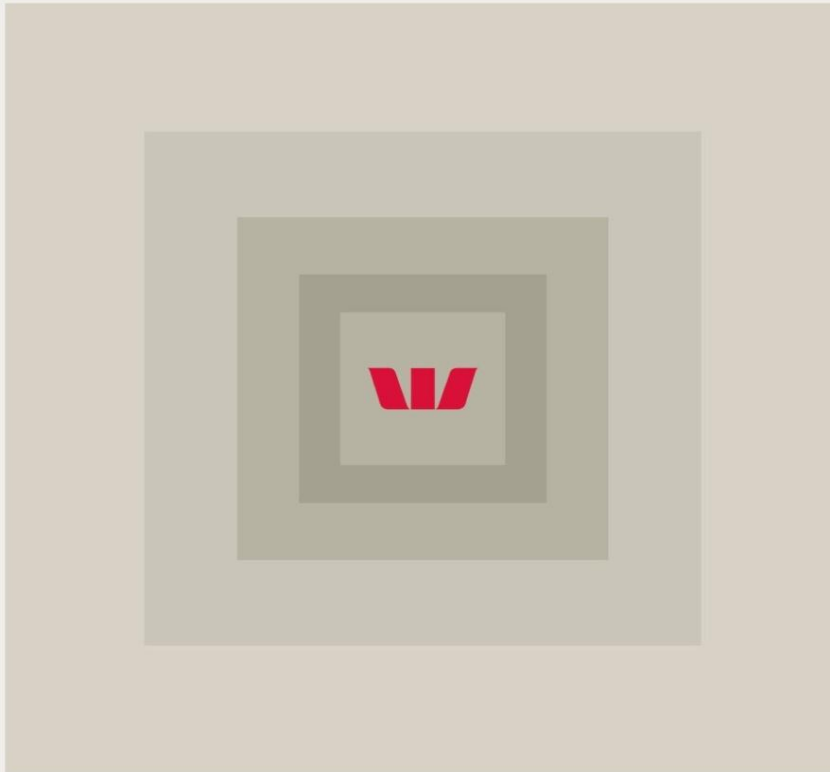
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