Economic Update

Westpac Jobs Index

Prepared by: Justin Smirk
Senior Economist
Westpac Economics

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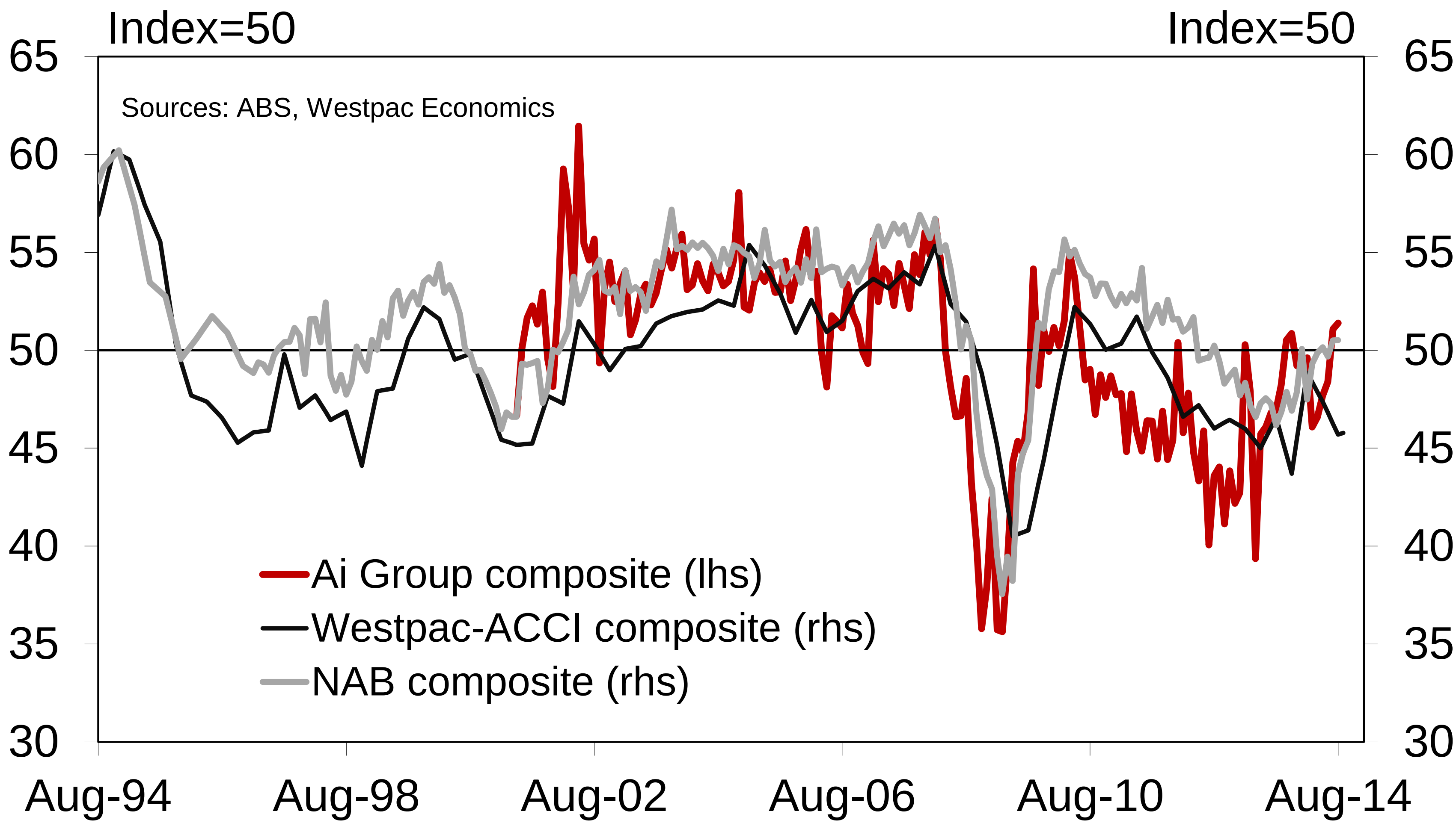
Westpac's Jobs Index

A systematic review of the job indicators in the business surveys

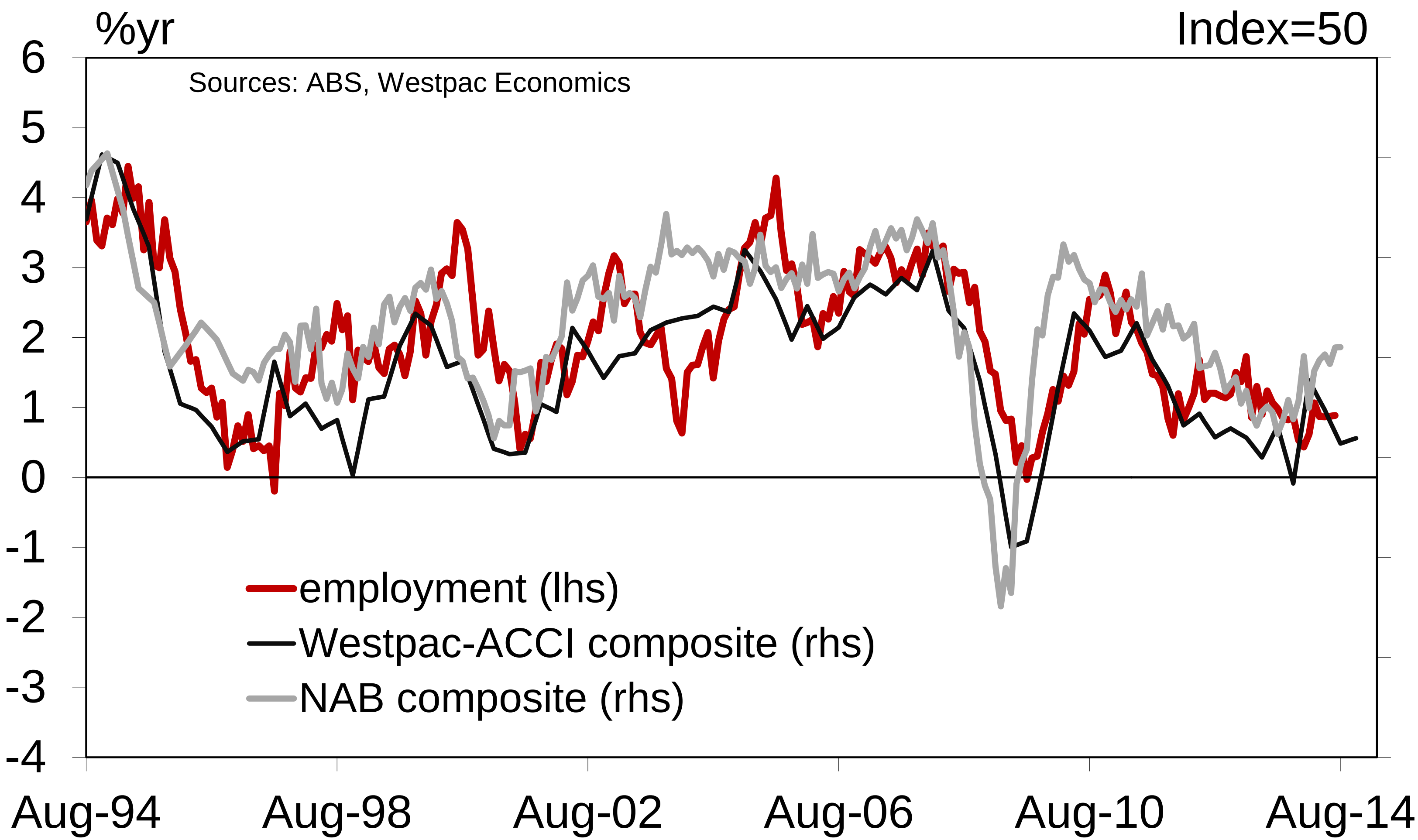
- There are many business surveys out there and most have questions, in some shape or form, that are applicable to the labour market. To generate a broader and deeper labour market indicator, Westpac compiles all the relevant indictors from these surveys into the proprietary Westpac Jobs Index.
- With the release of the NAB monthly survey we can complete our August Jobs Index. The Index is based so the long run average equals 50. The Index was as good as flat, 49.1 in Aug compared to 49.2 in Jul, but we are still in an uptrend since the most recent low of 44.8 in Apr 2013.
- Westpac's Jobs Index correctly indicated that the pace of total employment growth would slow less than 1%yr in the second half of 2013. The ABS reported total employment growth of just 0.5%yr in the year Dec falling to 0.4%yr by Jan 2014.
- It also suggested that we would get an uplift in total employment growth through the first half of 2014. This this did occur in Q1, with a gain of 109.8k jobs in the three months to Apr, but since then the pace has fallen away to 7.3k jobs in the three months to July. The business surveys suggests this pace should pick up through Q3 and into Q4.

Key business surveys for employment

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

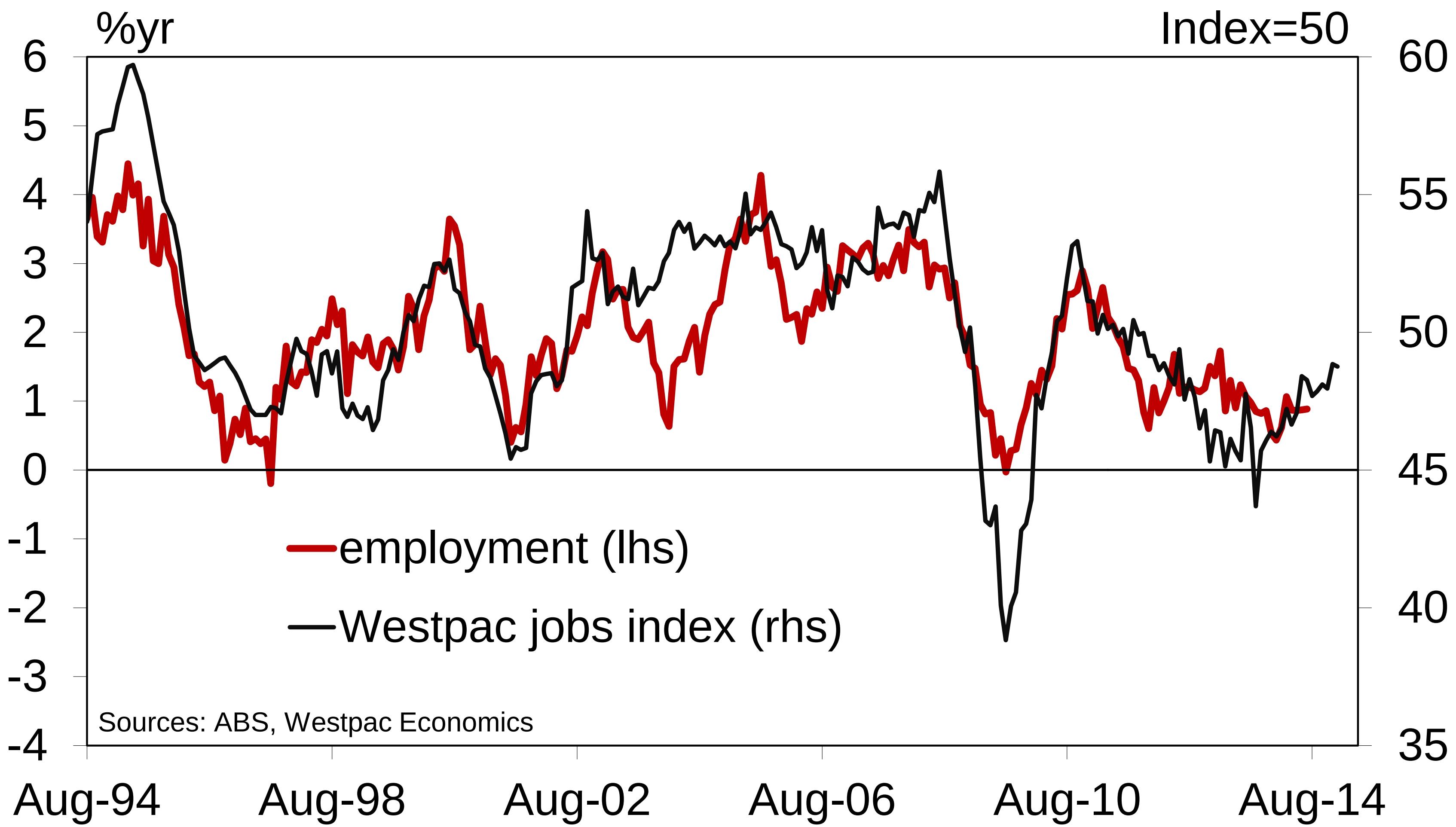


How the indexes compare to employment

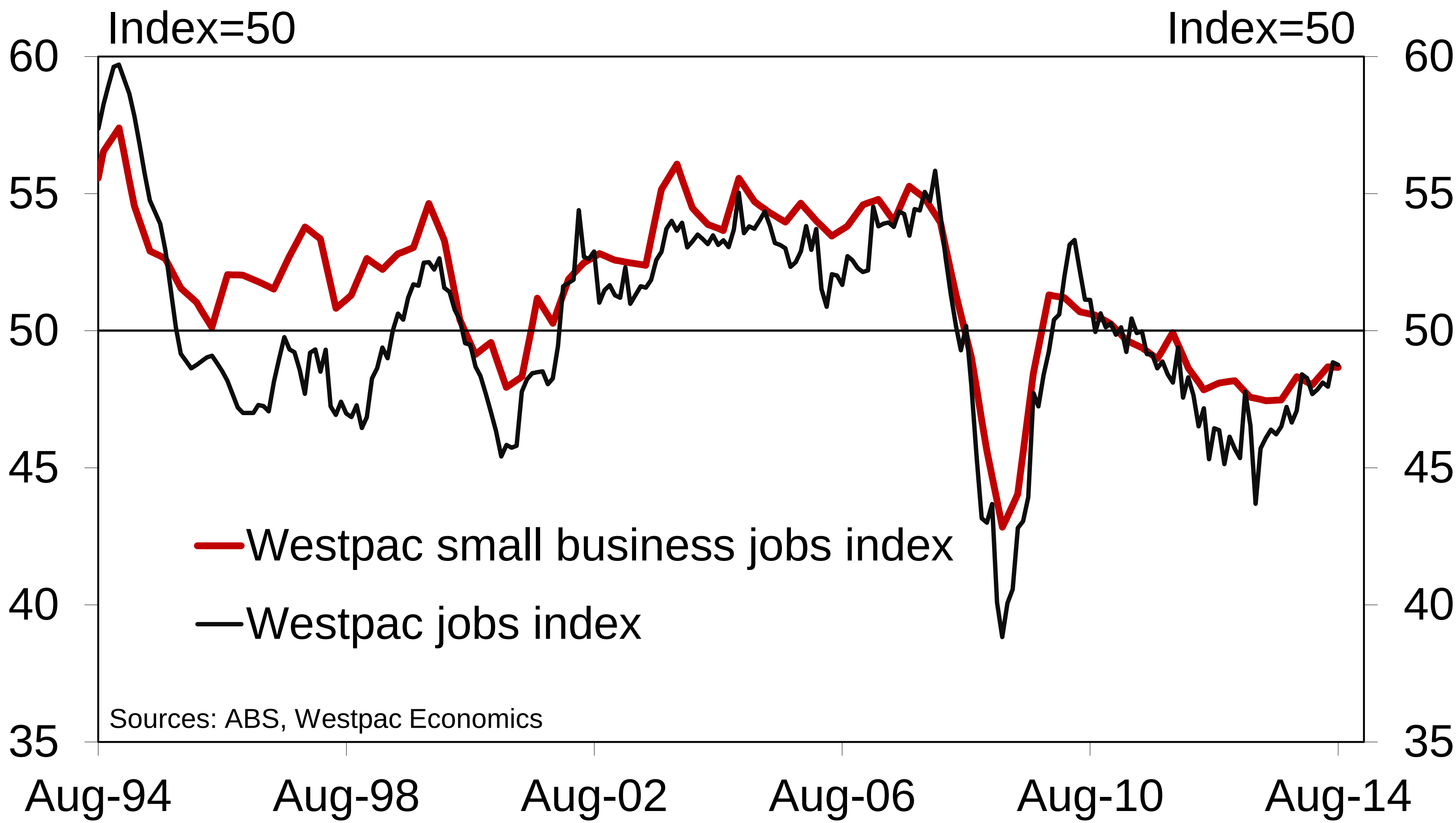


Westpac jobs index

A composite of the various business surveys employment indicators



Small business surveys vs. the rest



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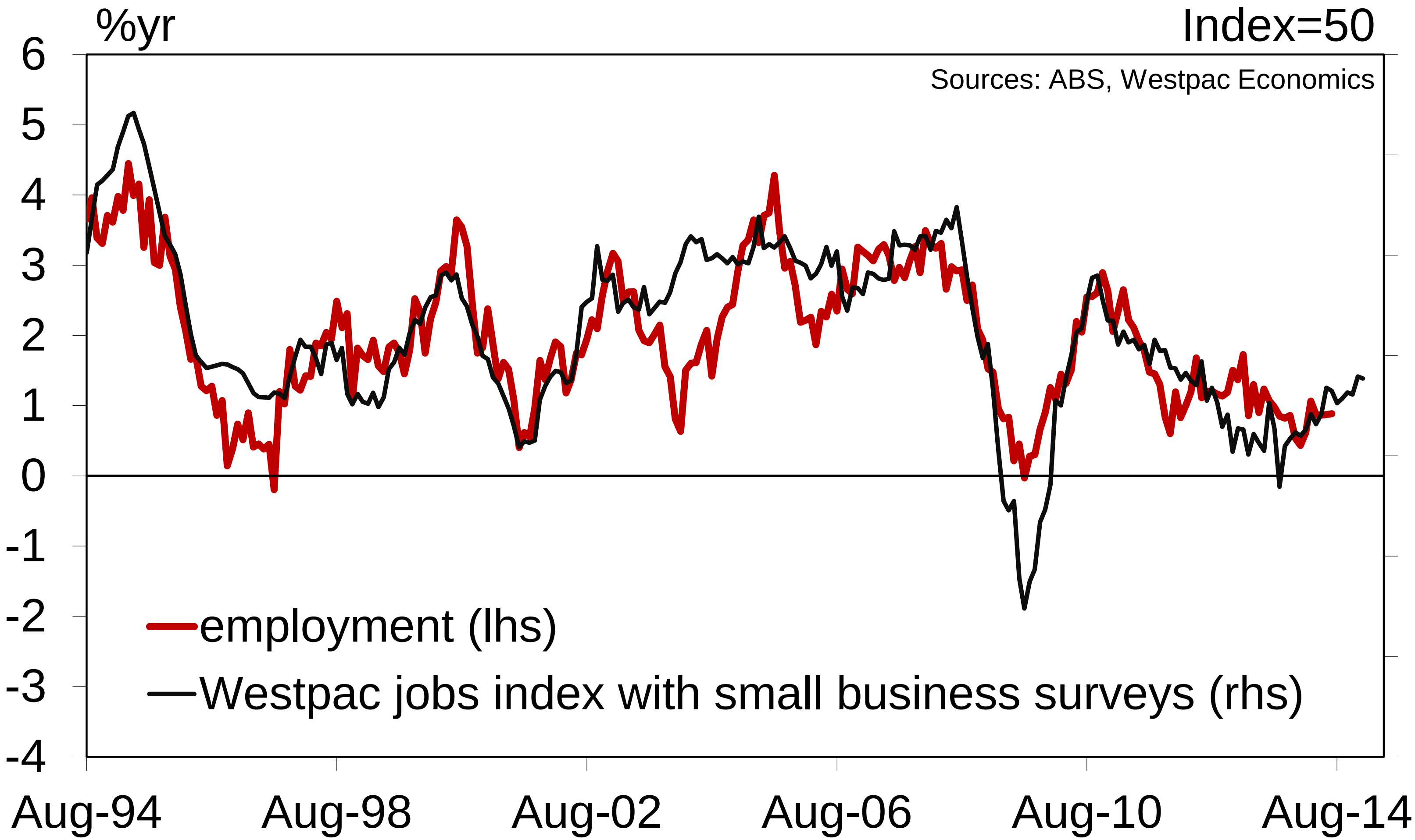
Westpac jobs index – with small business survey



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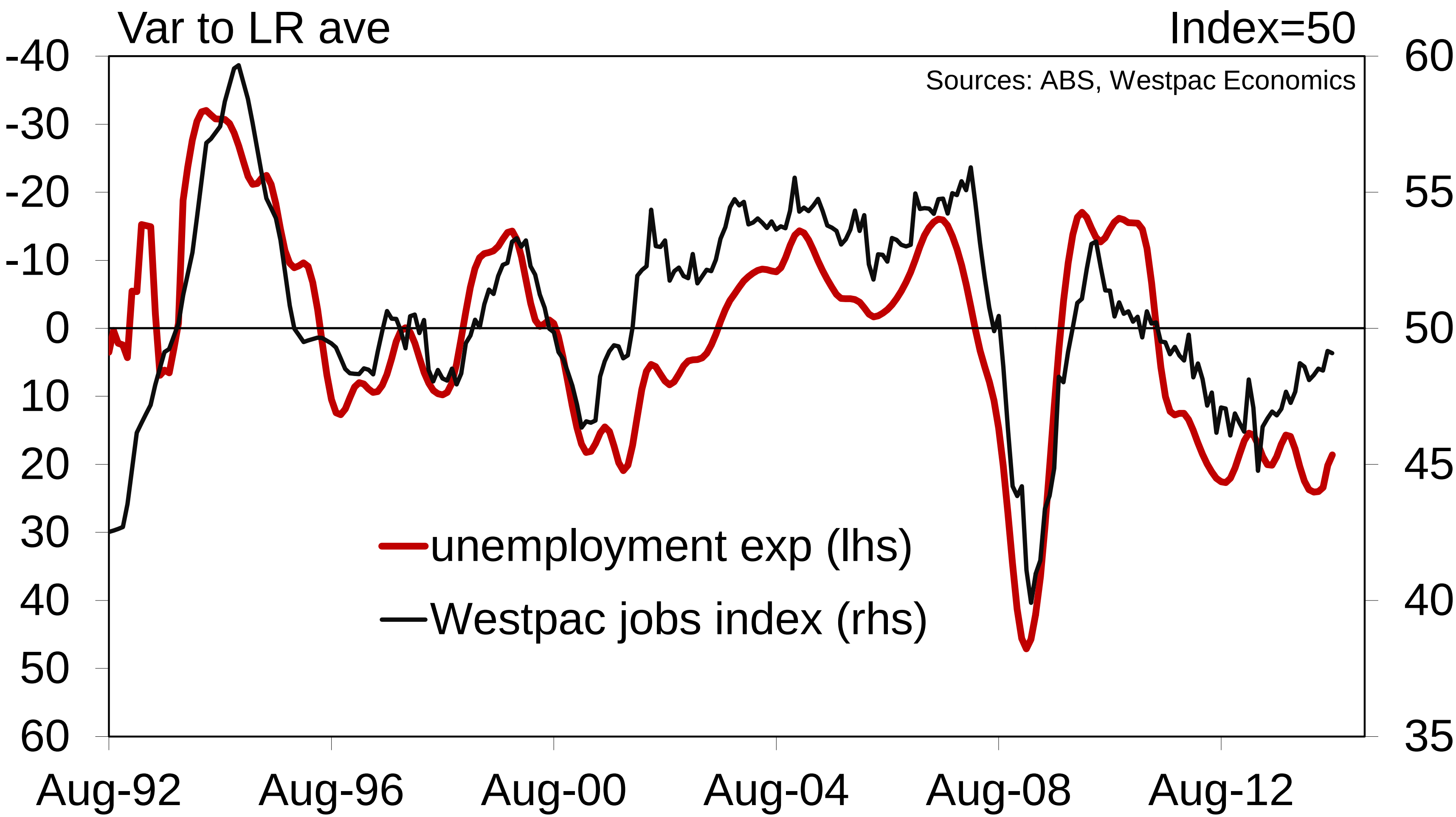
Index is pointing to an improvement in expect.



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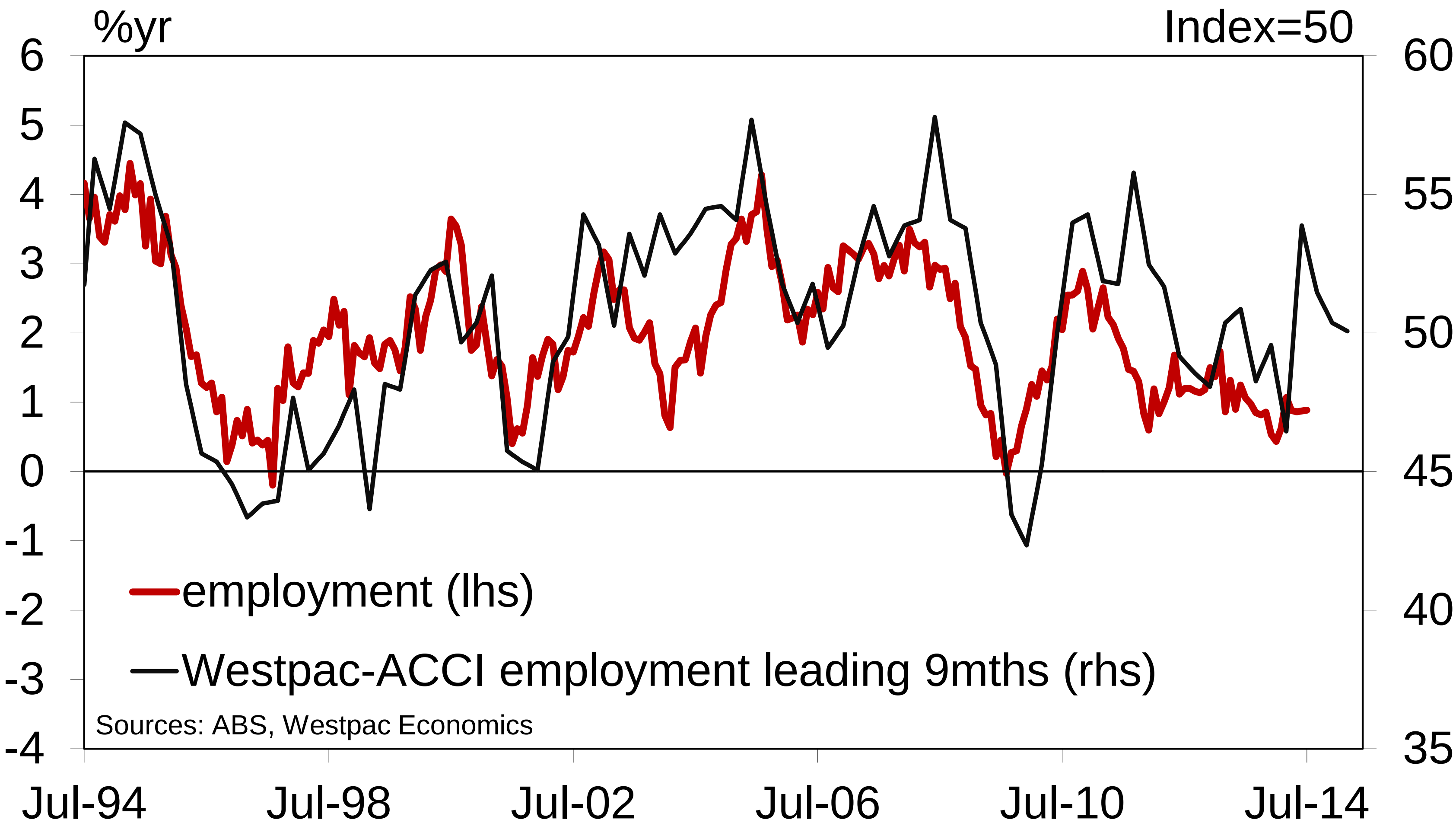
Westpac's Jobs Index

A breakdown of the various survey results

- The Westpac–ACCI survey and other ACCI business surveys.
- NAB employment actual and Westpac's composite of the various employment questions from the NAB business surveys.
- The AIGroup surveys and the Westpac composite of those surveys.
- Westpac's composite of the various small business surveys.

The long running Westpac–ACCI index



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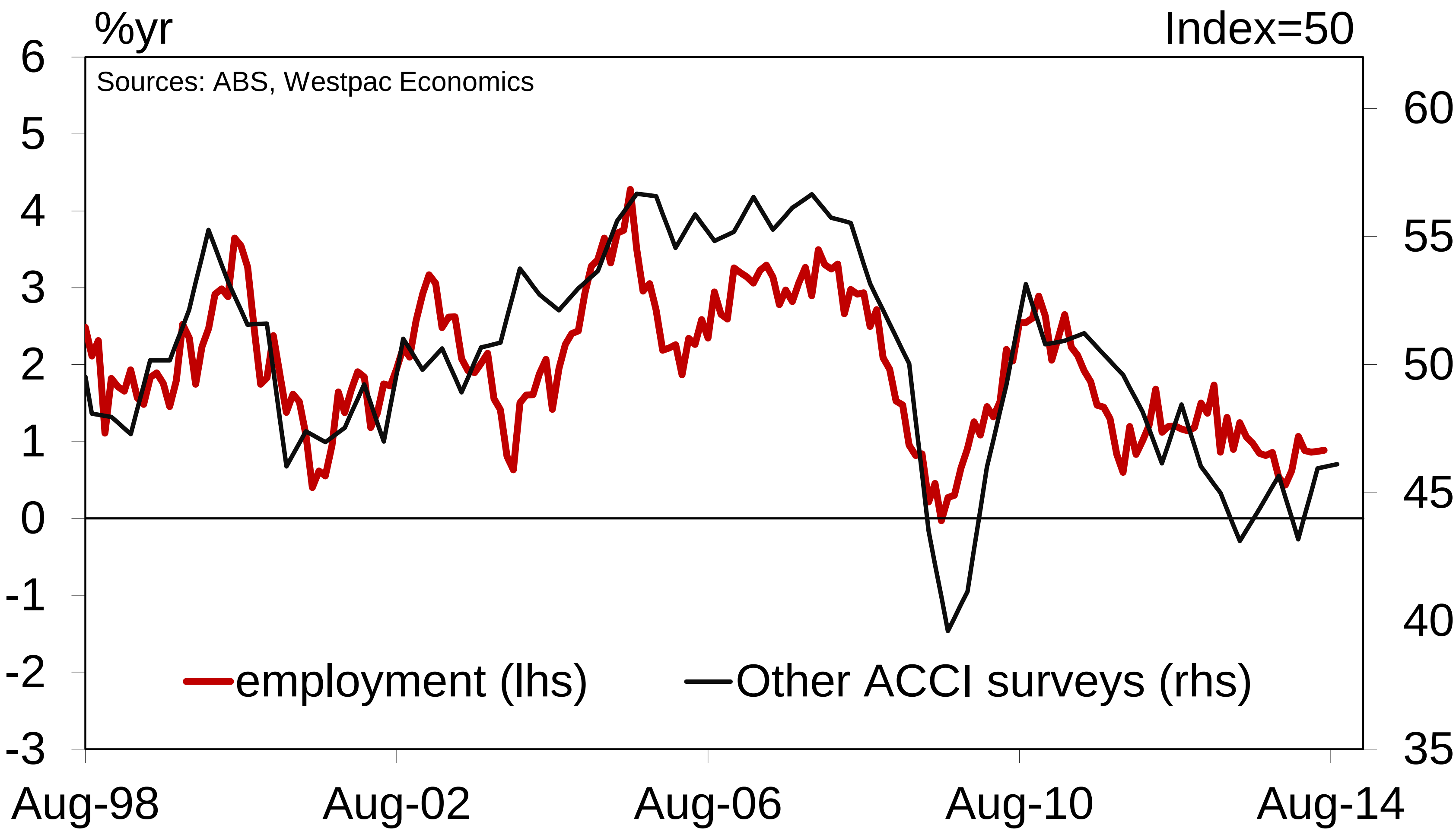
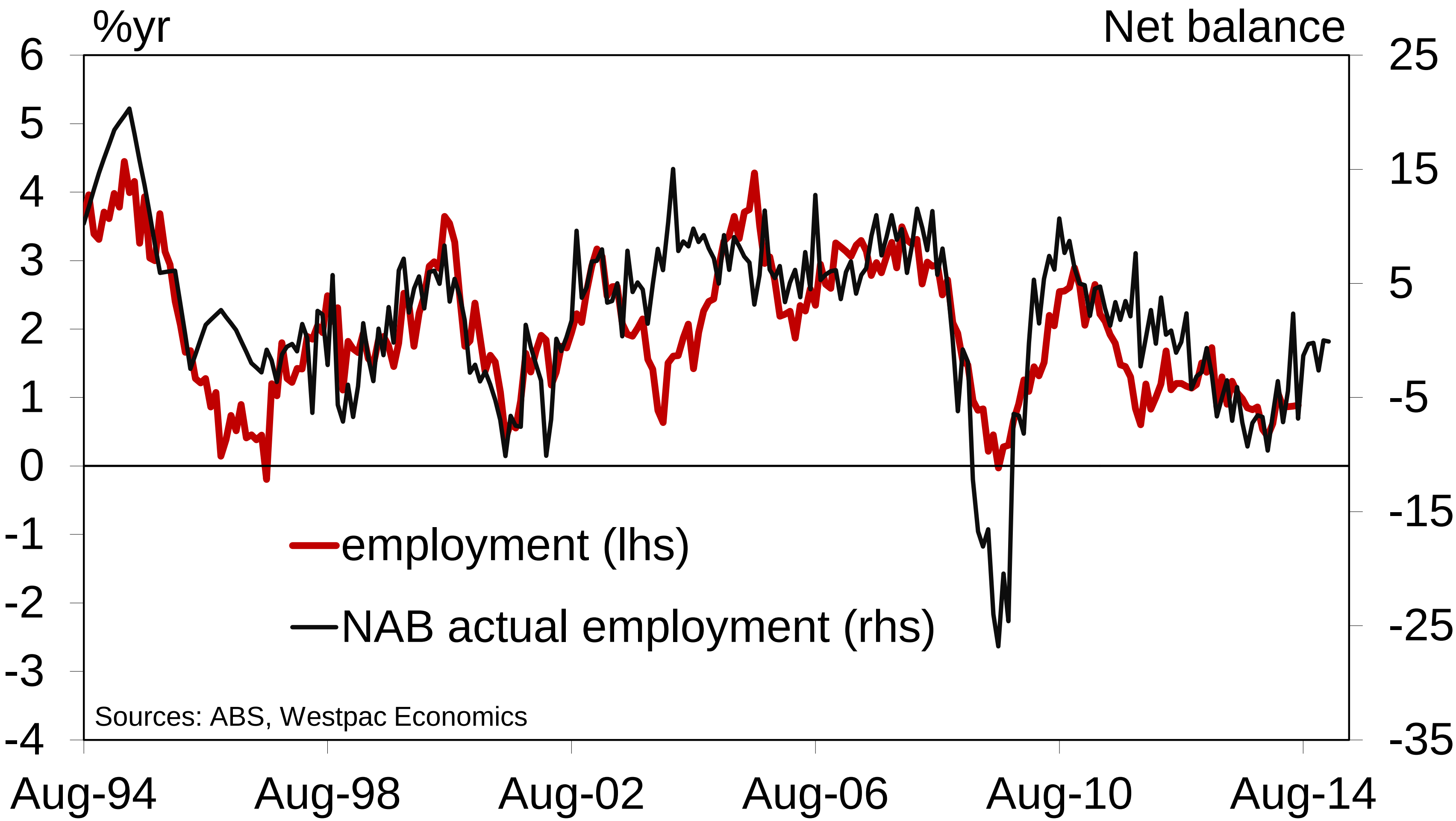
Other ACCI surveys as a composite



NAB actual employment question



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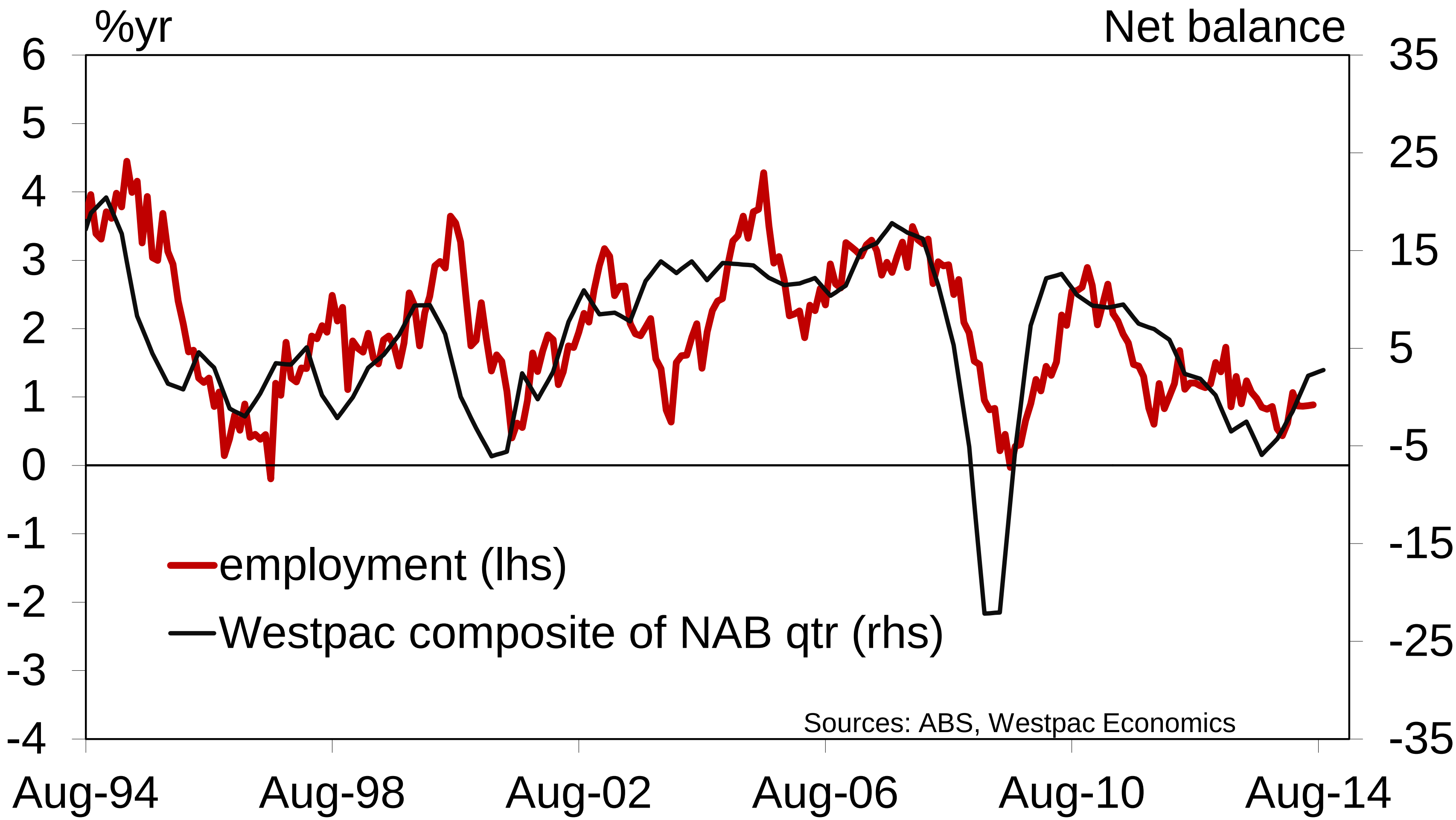
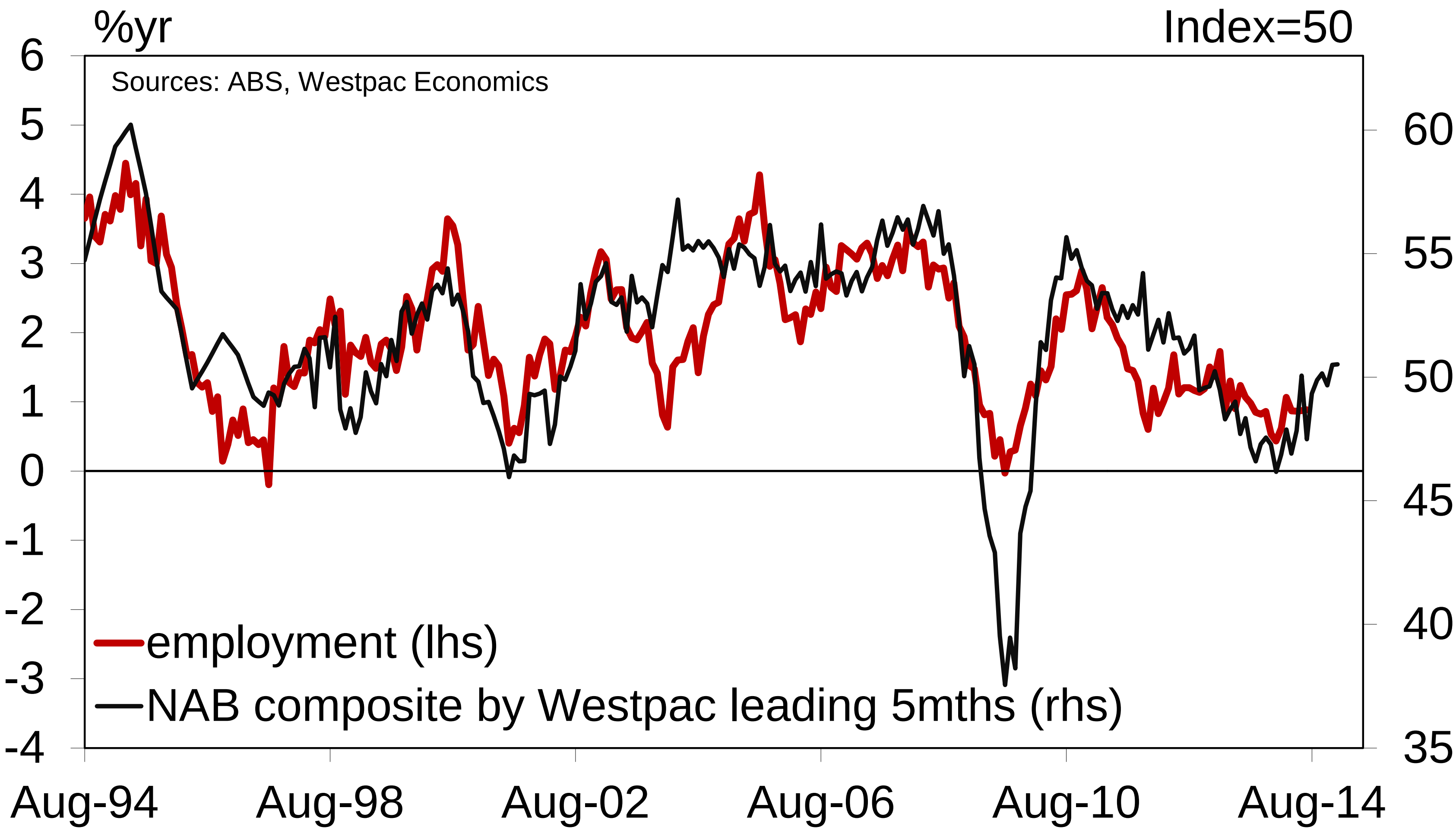
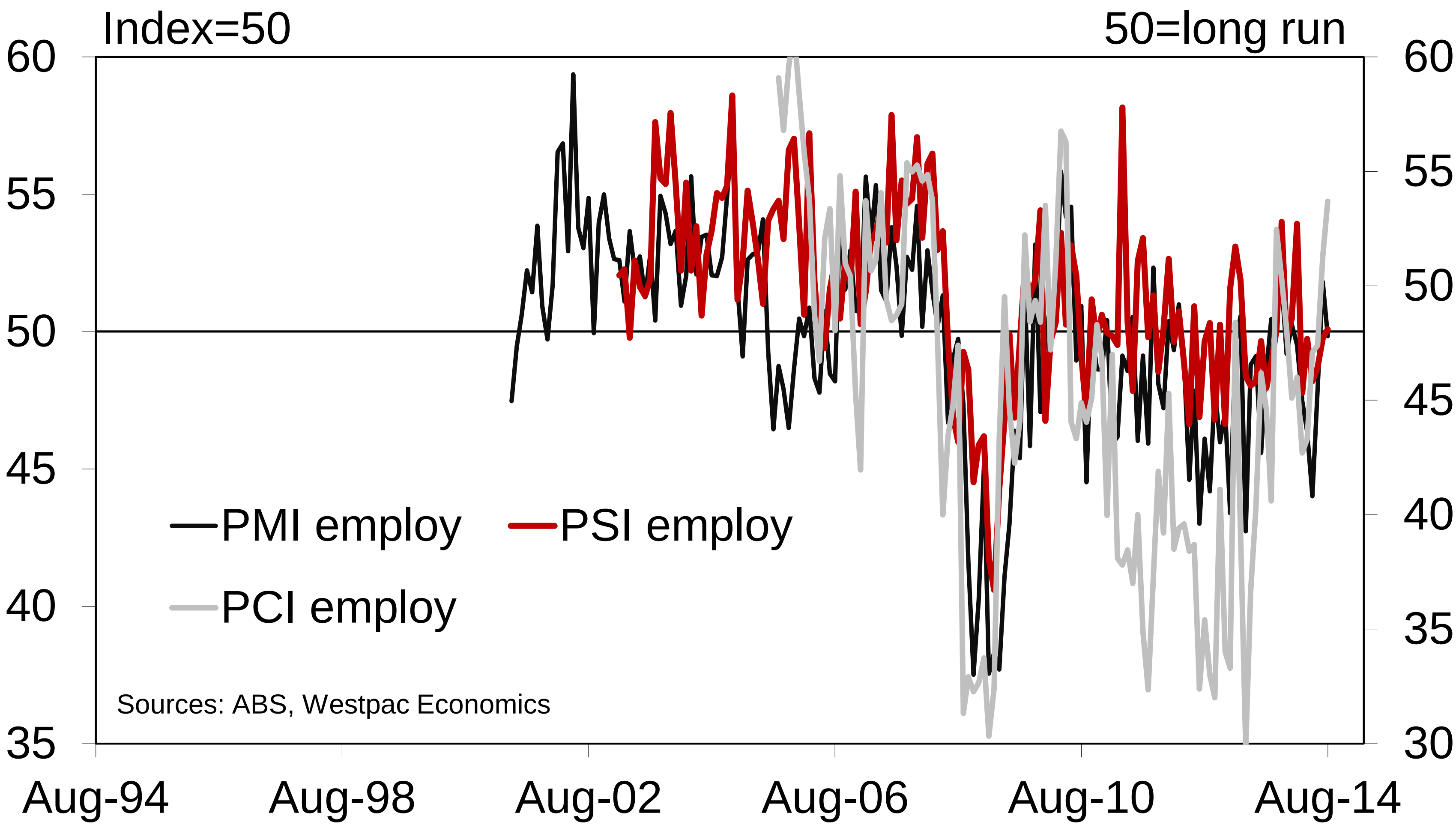
NAB quarterly employment questions



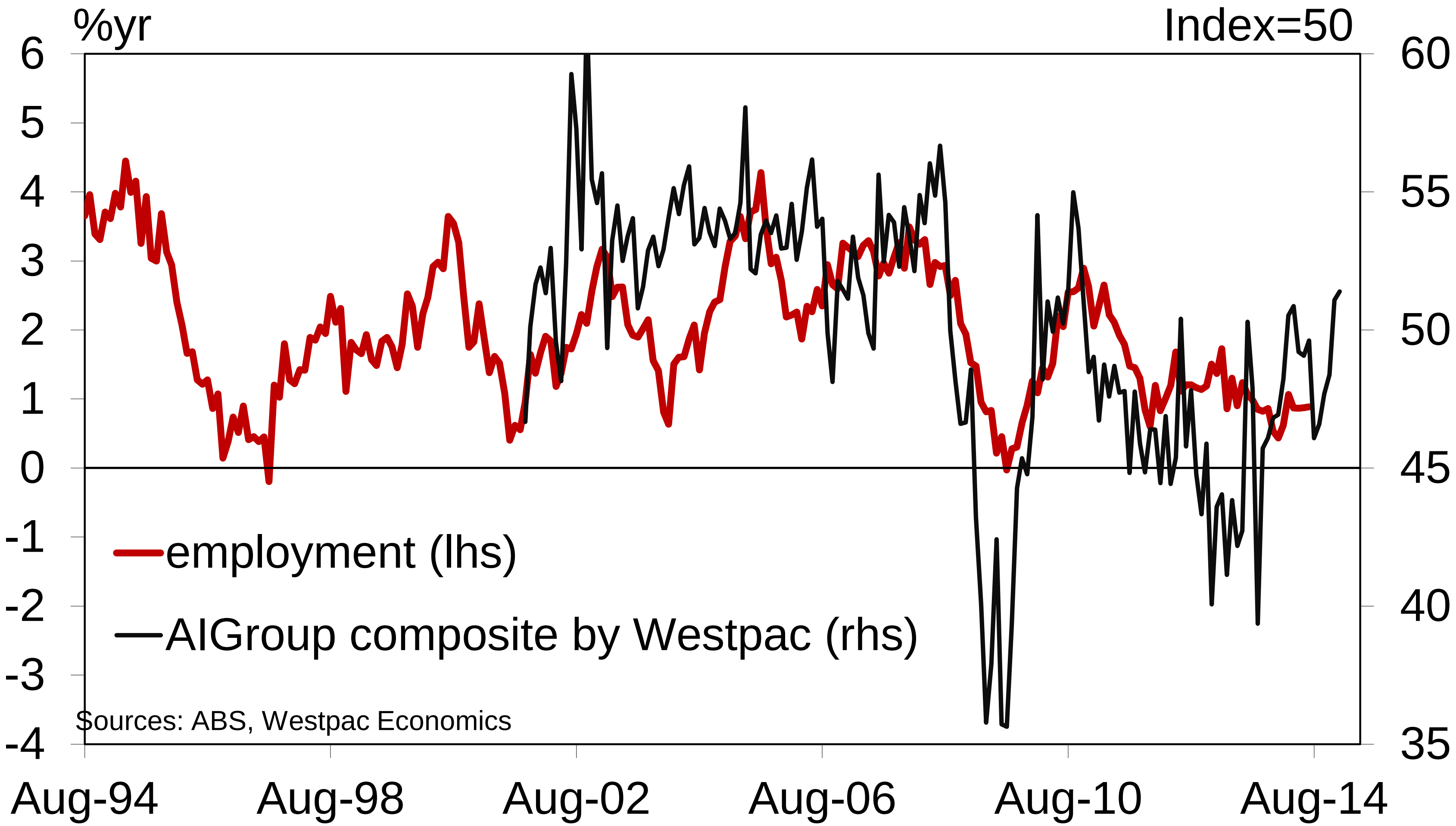
Westpac's composite of the NAB surveys



The AIGroup surveys are extremely noisy



Westpac's composite of AIGroup is a bit better



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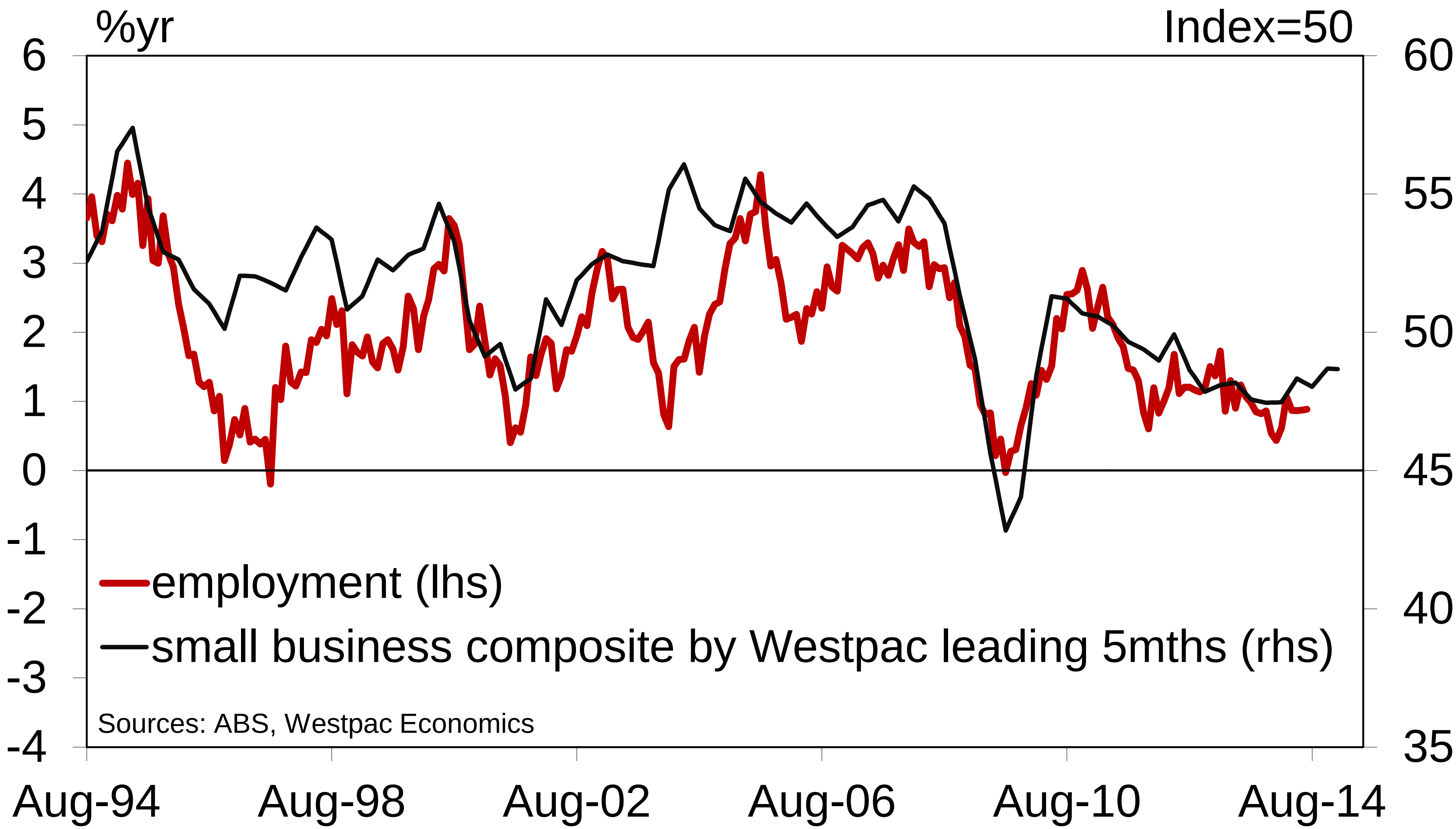
Westpac's composite of the small bus surveys



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