

Labour Market Statistics: September 2017 quarter

Embargoed until 10:45am – 01 November 2017

Key facts

Labour market at a glance

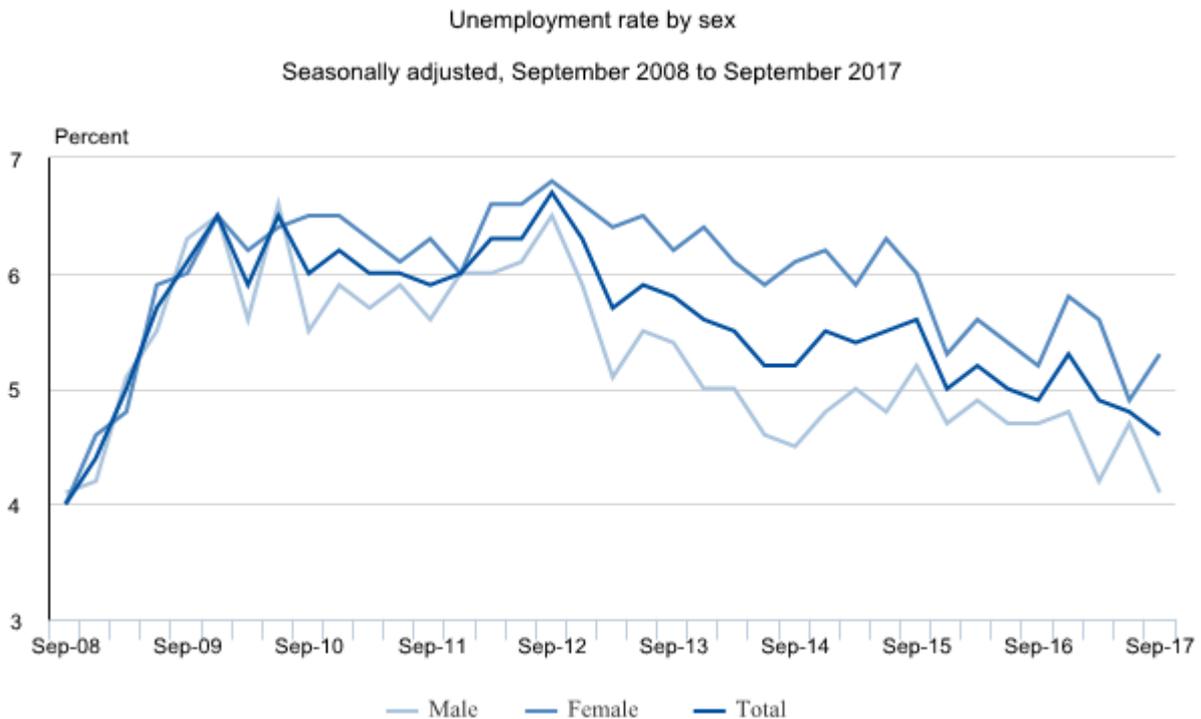
- Unemployment rate fell to 4.6 percent.
- Underutilisation rate unchanged at 11.8 percent.
- Employment rate rises to 67.8 percent.
- Wage rates grow 1.9 percent.

Employment at a glance (seasonally adjusted)		Sep 2017 quarter	Quarterly change	Annual change
		Percent	Percentage points	
Unemployment rate		4.6	-0.2	-0.3
Employment rate		67.8	+1.1	+1.2
Labour force participation rate		71.1	+1.0	+1.0
		(000)	Percent	
Unemployed		126	-1.2	-2.0
Employed		2,593	+2.2	+4.2
Filled jobs		1,935	+0.2	+2.5
Working-age population		3,826	+0.6	+2.4
Wages at a glance		Index	Percent	
Wage inflation (salary and wage rates, including overtime)	All sectors	1153	+0.6	+1.9
	Private sector	1159	+0.7	+1.9
	Public sector	1134	+0.4	+1.5
LCI analytical unadjusted		1276	+0.9	+3.4
		Level	Percent	
Average ordinary time hourly earnings		\$30.45	+1.2	+2.2
Hours at a glance (figures seasonally adjusted)		Level	Percent	
Average weekly paid hours for FTEs (QES)	Ordinary time	37.92	+0.1	+0.2
	Total	38.70	+0.0	+0.3
		(Million)	Percent	
Total weekly paid hours (QES)		60.1	+0.8	+3.0
Total actual weekly hours worked (HLFS)		87.7	+2.4	+4.5
Note:				
LCI – Labour Cost Index (salary and wage rates)				
QES – Quarterly Employment Survey				
HLFS – Household Labour Force Survey				

Unemployment, underutilisation, and NEET

In the September 2017 quarter, the seasonally adjusted unemployment rate fell to 4.6 percent (down 0.2 percentage points from the June quarter), the lowest unemployment rate since the December 2008 quarter. The number of unemployed people fell 2,000 from 128,000 to 126,000.

- The unemployment rate for men fell to 4.1 percent (down 0.6 percentage points).
- The unemployment rate for women rose to 5.3 percent (up 0.4 percentage points).



Source: Stats NZ

The seasonally adjusted underutilisation rate remained at 11.8 percent over the quarter, and dropped 0.5 percentage points annually. This annual decrease was primarily due to fewer available potential jobseekers (those who wanted to work and were available in the reference week, but were not actively applying for jobs).

The underutilisation rate measures the potential labour supply and unmet need for work. An underutilised person may be unemployed, underemployed (wanting more hours), an unavailable jobseeker, or an available potential jobseeker. Looking at the underutilisation rate in combination with the unemployment rate provides a more comprehensive view of New Zealand's labour market.

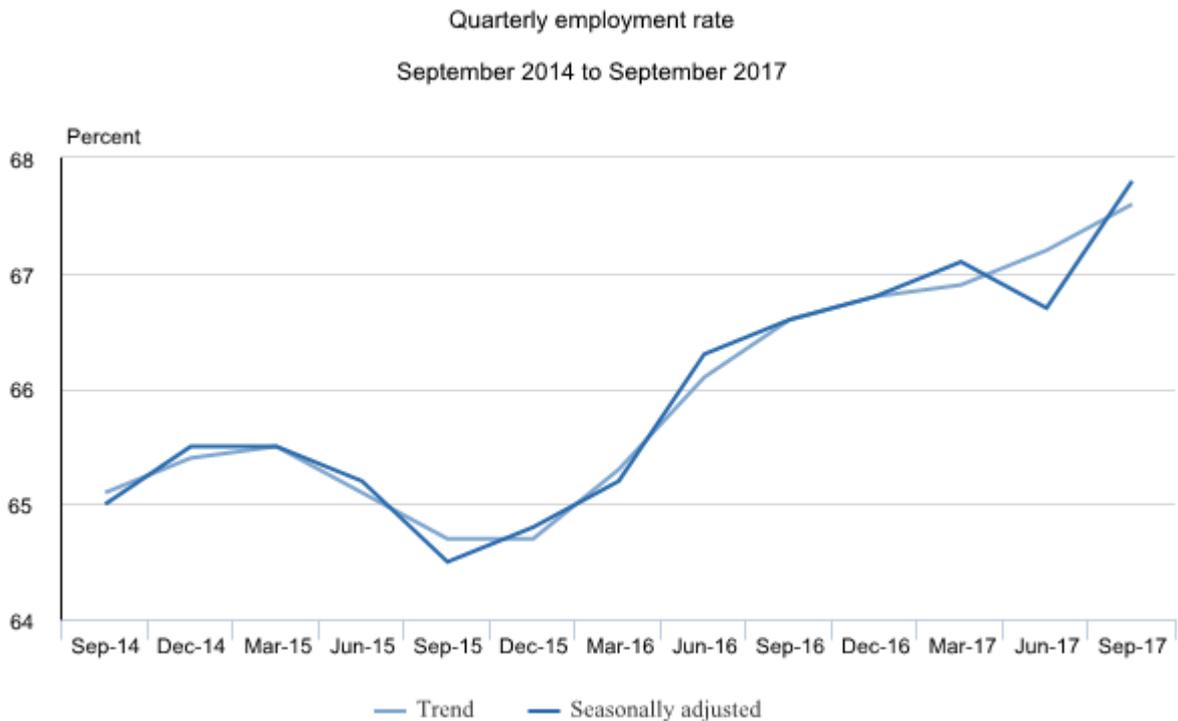
The seasonally adjusted not in employment, education, or training (NEET) rate for the 15–24 years age group remained at 11.2 percent over the quarter.

- The NEET rate for the 15–19 years age group fell to 7.2 percent (down 1.5 percentage points).
- The NEET rate for the 20–24 years age group rose to 14.8 percent (up 1.5 percentage points).

Employment and the labour force

Over the year to September 2017, the employment rate increased to 67.8 percent (up 1.2 percentage points), the highest rate since the series began in 1986. This follows a 0.4 percent contraction in the June 2017 quarter.

This increase is a result of employment growth exceeding growth in the working-age population over the year.



Source: Stats NZ

The labour force participation rate rose 1.0 percentage points over the quarter to 71.1 percent, as 54,000 more people entered the labour force.

Employment by sex, age, and ethnicity

Over the year to September 2017 (unadjusted), 102,700 more people were employed (up 4.2 percent). Men and women made roughly equal contributions to the annual increase.

- Male employment increased 52,400 (up 4.0 percent).
- Female employment increased 50,300 (up 4.3 percent).

87,700 (85.7 percent) of the growth in employment was from those employed full time.

Over half the annual growth in employment came from those aged 25–39, as employment amongst that age group grew 53,200. There was also statistically significant employment growth for those aged 55–59 and 60–64.

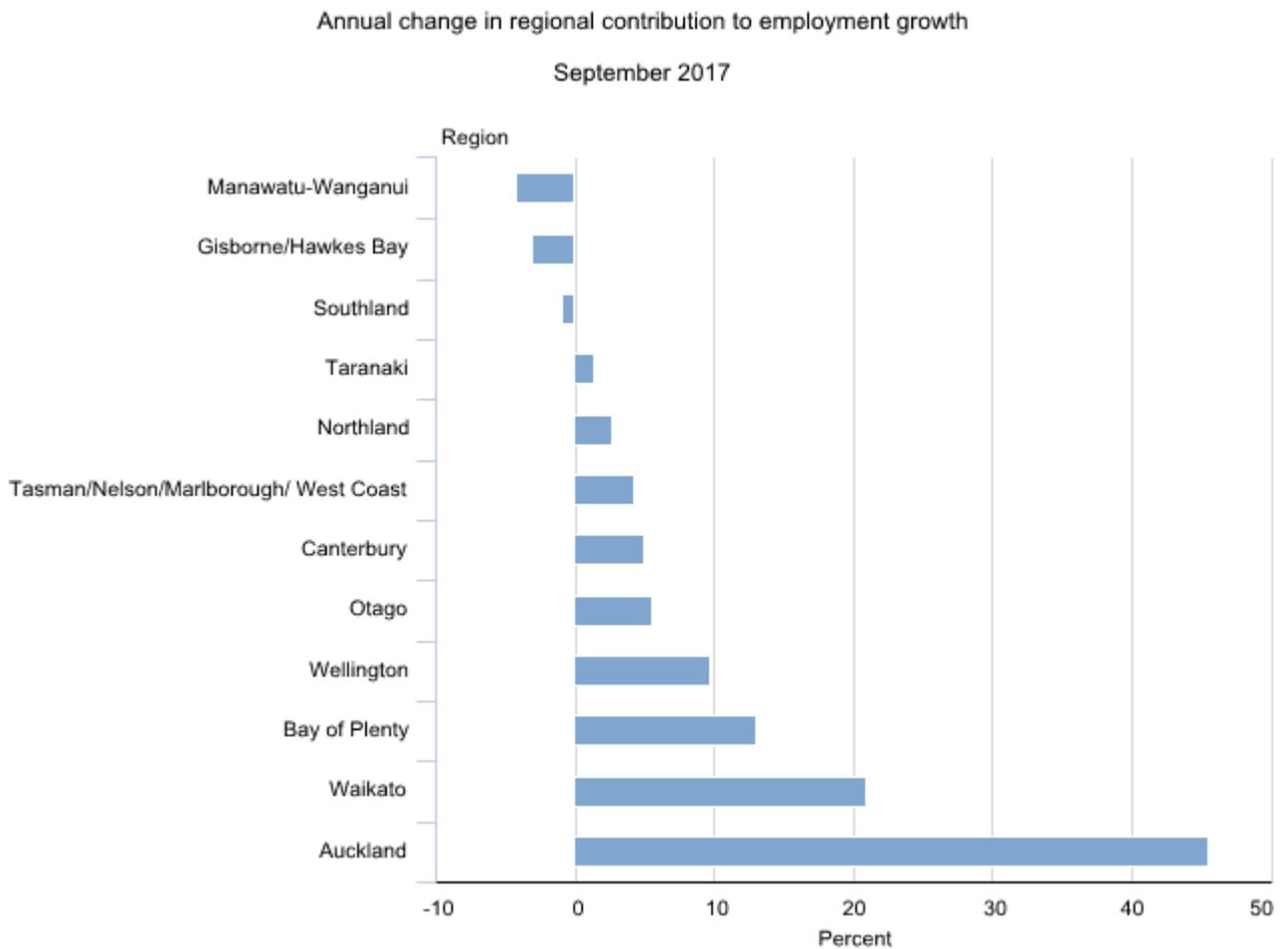
Over the year, the ethnicities that changed significantly in employment were:

- Asian – up 36,000 (11.3 percent)
- Māori – up 21,900 (7.6 percent)
- Other – up 23,000 (114.0 percent). This group is primarily made up of those that self-identify ethnically as New Zealanders.

Employment by region

In the year to the September 2017 quarter, the greatest employment growth was in the following regions:

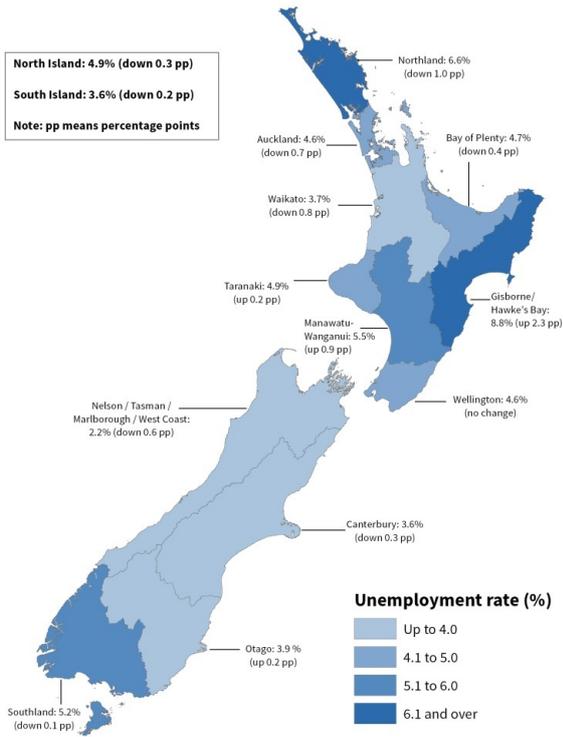
- Auckland – up 46,800 (5.5 percent)
- Waikato – up 21,600 (9.4 percent)
- Bay of Plenty – up 13,300 (9.2 percent)
- Wellington – up 10,000 (3.5 percent).



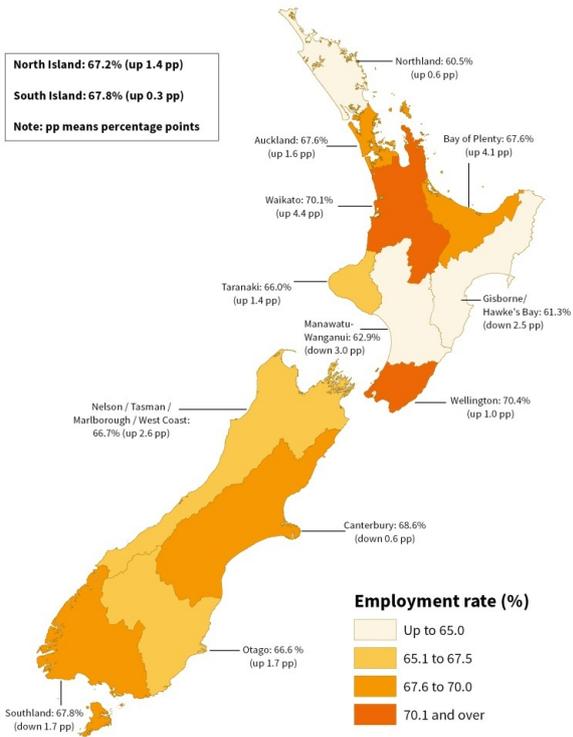
Source: Stats NZ

The Gisborne/Hawke's Bay region had the highest unemployment rate in the September 2017 quarter, at 8.8 percent. The Wellington region had the highest employment rate in the September 2017 quarter, at 70.4 percent.

Unemployment rates by regional council area
September 2017 quarter (compared with September 2016 quarter)



Employment rates by regional council area
September 2017 quarter (compared with September 2016 quarter)



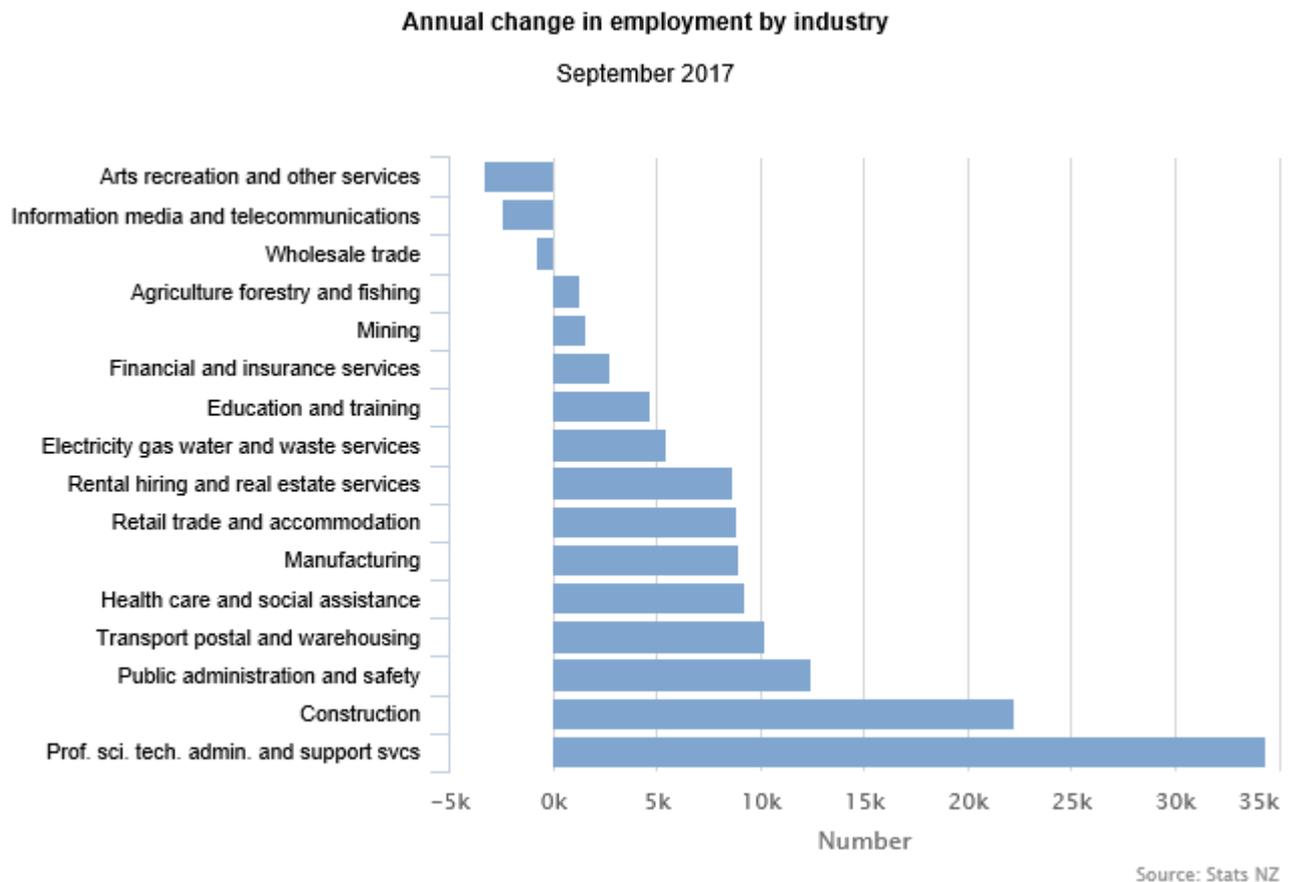
Industry

Annual changes

In the year to the September 2017 quarter, unadjusted employment (as measured by the HLFS) increased over a number of industries. The greatest contributors to annual employment growth were:

- professional, scientific, technical, administrative, and support services – up 34,400 (12.0 percent)
- construction – up 22,300 (9.9 percent)
- public administration and safety – up 12,500 (9.1 percent).

Almost two-thirds of the total increase in the construction industry occurred in the Auckland and Wellington regions.



Filled jobs (as measured in the QES) increased 2.5 percent (unadjusted) annually, an increase of 46,300 jobs. The three main industries contributing to this growth were:

- construction – up 18,100 (11.8 percent)
- retail – up 9,600 (4.9 percent)

- accommodation and food services – up 9,500 (6.6 percent).

Quarterly changes

Over the quarter, unadjusted employment (as measured by the HLFS) rose 1.7 percent. The biggest contributors to that growth by industry were:

- agriculture, forestry, and fishing – up 13,300 (9.0 percent)
- construction – up 12,800 (5.4 percent)
- public administration and safety – up 11,000 (8.0 percent).

By comparison, filled jobs (unadjusted) in the QES fell by 10,100 (0.5 percent) over the September 2017 quarter. Key contributors were:

- professional, scientific, technical, administrative, and support services – down 10,500 (3.7 percent)
- manufacturing – down 5,900 (3.0 percent).

Differences between the filled jobs in the QES and employment numbers in the HLFS can largely be explained by differences in survey coverage. The QES excludes a number of industries, including agriculture, and those who are self-employed without employees, to better fit international standards. Conversely, the HLFS only includes usually resident New Zealanders, so can exclude some temporary seasonal labourers.

Wages

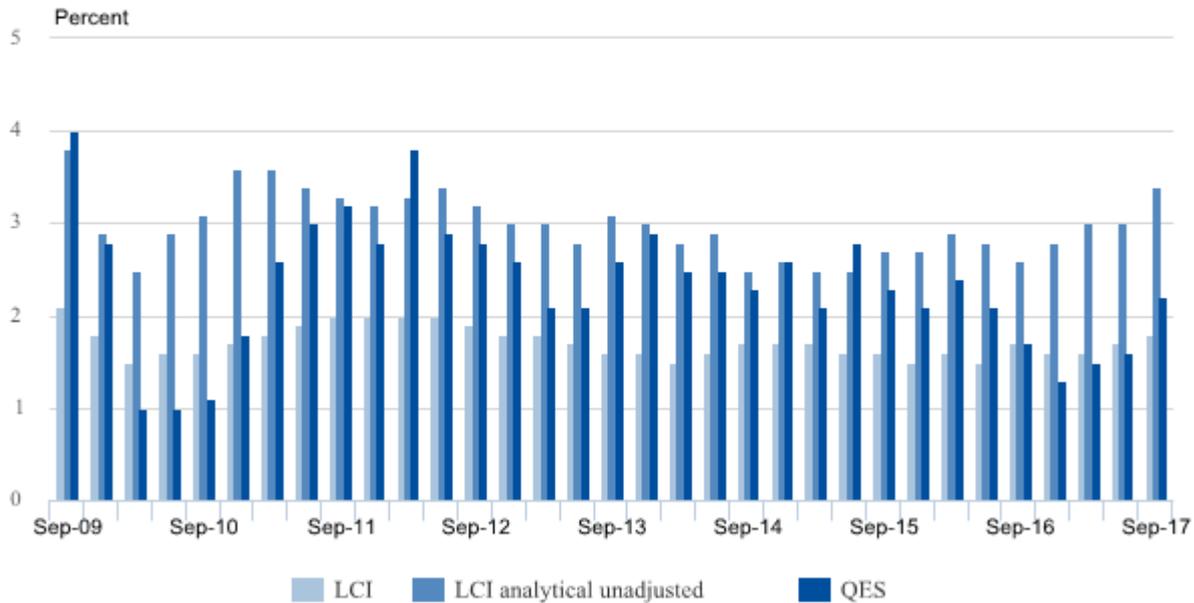
All the following movements are for the year to the September 2017 quarter.

The LCI salary and wage rates (including overtime) increased 1.9 percent, the largest annual increase since September 2012.

The LCI is a key measure of wage inflation, reflecting changes in the rates employers pay to have the same job done to the same standard.

The analytical unadjusted LCI reflects price change and quality change within occupations, such as individual performance or years of service, as well as changes in salary and wage rates for a fixed quantity of labour. It increased 3.4 percent in the year.

Salary and ordinary time wage rates
Annual percentage change, September 2009 to September 2017



Source: Stats NZ

Private sector wage inflation in the year to the September 2017 quarter was higher than that of the public sector. A key contributor was the Care and Support Workers (Pay Equity) Settlement Act 2017, which came into effect on 1 July 2017, and is explored in more depth in [Pay deal for care and support workers lifts wages](#).

- Private sector wages increased 1.9 percent.
- Public sector wages increased 1.5 percent.

Within the QES, wages also grew over the year. Average ordinary time hourly earnings increased to \$30.45 (up 2.2 percent).

The main contributors to QES wage growth were the professional, scientific, technical, administrative, and support services, and health care and social assistance industries.

The main driver of wage growth in the health care and social assistance industry was the carer pay rise. In the professional, scientific, technical, administrative, and support services industry, earnings increases came partly from normal wage growth and partly from compositional changes, as there were fewer low-paying jobs in that industry in the September 2017 quarter.

In the QES, average weekly earnings (including overtime) for full-time equivalent employees (FTEs) also increased over the year, up 2.5 percent to \$1,174.64 per week. This growth reflects both the increase in hourly earnings and the increase in average weekly paid hours worked per FTE over the year.

Childcare in New Zealand 2017

The *Childcare in New Zealand 2017* survey is the third major survey of childcare undertaken in New Zealand. The survey was included in the September 2017 quarter HLFS. Previous surveys were carried out in 1998 and 2009.

The *Childcare in New Zealand 2017* survey collected information about the use of early childhood education (ECE), out-of-school services (OSS), informal care arrangements (eg grandparents looking after children), subsidy use, and the relationship between the use of ECE, OSS, work, and study arrangements. Results from the survey will be released in the coming months.

Improving Labour Market Statistics CSV files

In response to customer feedback, Stats NZ has sought to improve data available via the Labour Market Statistics CSV file, by making them more machine-readable.

The data has been split into three separate CSV files: HLFS, QES, and LCI. The new HLFS CSV file now includes annual data, and classifications applying to all series in unique columns.

The original Labour Market Statistics CSV file will remain available.

Please send your feedback to info@stats.govt.nz with "Labour Market Statistics improvements" in the subject line.

Liz MacPherson, Government Statistician
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1 November 2017

Related links

Next release

Labour Market Statistics: December 2017 quarter will be released on 7 February 2018.

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[The release calendar](#) lists information releases by date of release.

Past releases

[Labour Market Statistics](#) has links to past releases (from December 2014 quarter).

[Household Labour Force Survey](#) has links to past releases.

[Quarterly Employment Survey](#) has links to past releases.

[Labour Cost Index \(Salary and Wage Rates\)](#) has links to past releases.

Data quality

Period-specific information

See [Labour Market Statistics period specific information – DataInfo+](#) for labour market statistics information that changes between periods.

General information

See [Labour Market Statistics concepts – DataInfo+](#) for definitions of terms used in this release.

See [Household Labour Force Survey methodology – DataInfo+](#) for general methodology used to produce household labour force statistics.

See [Labour Cost Index methodology – DataInfo+](#) for general methodology used to produce labour cost index statistics.

See [Quarterly Employment Survey methodology – DataInfo+](#) for general methodology used to produce quarterly employment survey statistics.

Related information

[Improving labour market statistics](#) for information (including papers and other relevant data) on the Household Labour Force Survey redevelopment

[Household Labour Force Survey population rebase from 2013 Census: Includes regional benchmarks](#) for the revised HLFS results, which provides information on the population rebase.

[A guide to unemployment statistics \(third edition\)](#) (published 2017) provides guidance to data users on the different features of four unemployment measures.

[User guide for wage and income measures](#) (published 2013) has more information on the various Statistics NZ income and wage measures.

[Extended region and age series now available](#) (published 2014) introduces two key classifications in response to our users' needs.

[Future of the Household Labour Force Survey](#) (published 2014) outlines changes to the HLFS and how these changes have affected the survey from mid-2016 onwards.

See [Employment and unemployment](#) for more reports and articles about New Zealand's labour market.

Revisions

Revisions to Household Labour Force Survey

Each quarter, we apply the seasonal adjustment process to the latest quarter and all previous quarters. Every estimate is subject to revision each quarter as new data is added, which means that seasonally adjusted estimates for previous quarters may change slightly. In practice, estimates more than two years from the end-point will change little.

The June 2017 quarter unemployment rate remained at 4.8 percent after we applied seasonal adjustment.

This table lists the changes in estimates between the current and previous quarters for the seasonally adjusted data.

Percent revision from last estimate, seasonally adjusted						
Quarter	Male employed	Female employed	Male unemployed	Female unemployed	Male not in labour force	Female not in labour force
Sep 2016	-0.13	-0.12	0.49	-0.75	0.18	0.09
Dec 2016	0.05	-0.05	0.55	1.48	-0.01	0.11
Mar 2017	0.11	-0.07	-0.65	-0.72	0.00	0.02
Jun 2017	-0.02	0.26	-0.48	0.04	-0.18	-0.21

This table presents revisions for the trend estimates. Trend revisions are generally larger than those of the seasonally adjusted data.

Percent revision from last estimate, trend						
Quarter	Male employed	Female employed	Male unemployed	Female unemployed	Male not in labour force	Female not in labour force
Sep 2016	-0.21	-0.08	-0.14	0.38	0.05	0.27
Dec 2016	-0.57	-0.10	2.51	0.30	0.07	0.35
Mar 2017	-0.41	-0.09	4.63	0.62	0.05	-0.31
Jun 2017	0.55	0.53	-0.72	5.12	-0.59	2.15

The table below shows the average of all such absolute revisions, expressed relatively, and indicates to what extent the current estimates might be revised when the revised data for the next quarter becomes available.

Mean absolute percent revisions				
	Seasonally adjusted		Trend	
	1-step	4-step	1-step	4-step
Male employed	0.05	0.08	0.17	0.17
Female employed	0.06	0.11	0.24	0.25
Male unemployed	0.46	0.74	1.77	1.77
Female unemployed	0.53	0.85	1.93	1.96
Male not in labour force	0.10	0.17	0.39	0.38
Female not in labour force	0.09	0.15	0.37	0.37

In the table above, a '1-step ahead' revision is one we make to an estimate one quarter later. For example, if in the March 2010 quarter the seasonally adjusted estimate of females employed was first published as 1,020,000, and then in the June 2010 quarter this same estimate was revised to 1,022,000, this would be an upward revision of 0.20 percent.

A '4-step ahead' revision is one we make to an estimate four quarters later. For example, if in the March 2010 quarter release the trend estimate of females not in the labour force was first published as 665,000 and then in the March 2011 release, one year later, the trend estimate of females not in the labour force for the March 2010 quarter was revised to 664,000, this would be a decrease of 1,000, or a downward revision of 0.15 percent.

Contacts

For media enquiries contact:

Sean Broughton

Wellington 04 931 4755

Email: info@stats.govt.nz

For technical information contact:

Alexandra Ferguson or Ken Joe

Wellington 04 931 4686 or 04 931 4163

Email: info@stats.govt.nz

For general enquiries contact our Information Centre:

Phone: 0508 525 525 (toll free in New Zealand)

+64 4 931 4600 (outside of New Zealand)

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Tables

See the Excel tables in the 'Downloads' box on this page. If you have problems viewing the files, see [opening files and PDFs](#).

Household labour force survey tables

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2. People employed, unemployed, and not in labour force, by sex, trend series
3. People employed, unemployed, and not in labour force, by sex
4. People employed, unemployed, and not in labour force, by age group
5. People employed, unemployed, and not in labour force, by ethnic group
6. People employed, unemployed, and not in labour force, by regional council
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9. People employed, by industry and sex
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13. People underemployed, by sex
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15. Labour force and education status of those aged 15–24 years, by age group, seasonally adjusted series
16. Harmonised unemployment rates in OECD countries, latest available
17. Employment rates in OECD countries, 15–64-year-olds

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3. Full-time equivalent employees (FTEs), by ANZSIC06 industry
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6. Average weekly paid hours for FTEs, actual, seasonally adjusted, and trend series
7. Average weekly earnings for FTEs, by sector
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 - 2.2 Salary and wage rates by industry and by occupation, public sector, percentage change from previous quarter
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- 3.3 Salary and wage rates by industry and by occupation, private sector, percentage change from same quarter of previous year
- 4.1 Salary and wage rates by industry, all sectors combined
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- 7.2 Median and mean increases by sector
- 8.1 Published and analytical unadjusted indexes for the private sector
- 8.2 Published and analytical unadjusted indexes for all sectors combined
- 9.1 Labour cost index, base expenditure weights by sector, cost, occupation, and skill level
- 9.2 Labour cost index, base expenditure weights by industry

Quarterly employment survey supplementary tables

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2. Filled jobs, by ANZSIC06 industry
3. Part-time employees, by ANZSIC06 industry
4. Full-time employees, by ANZSIC06 industry

Labour cost index supplementary tables

The following supplementary tables relate to the construction industry for Canterbury and the rest of New Zealand.

1. Regional analytical index for the construction industry, all salary and wage rates
2. Regional analytical index for the construction industry, salary and ordinary time wage rates
3. Regional analytical mean increases for the construction industry, all sectors combined

Access more data on Infoshare

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Subject category: **Work Income and Spending**

Groups: **Household Labour Force Survey – [HLF], Earnings and Employment Survey (QES) – [QEX], and Labour Cost Index – [LCI]**

Next release

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