

Labour Market Statistics: June 2017 quarter

Embargoed until 10:45am – 02 August 2017

Key facts

Labour market at a glance

- Employment rate drops to 66.7 percent.
- Unemployment rate down to 4.8 percent.
- Employment and filled jobs up over the year.
- Wage rates grow 1.7 percent.

Employment at a glance (seasonally adjusted)		Jun 2017 quarter	Quarterly change	Annual change
		(000)	Percent	
Working-age population		3,801	+0.5	+2.4
Employed		2,535	-0.2	+3.1
Unemployed		128	-2.2	-2.2
Filled jobs		1,932	+1.0	+3.1
		Percent	Percentage points	
Employment rate		66.7	-0.4	+0.5
Unemployment rate		4.8	-0.1	-0.3
Labour force participation rate		70.0	-0.6	+0.3
Wages at a glance		Index	Percent	
Wage inflation (salary and wage rates, including overtime)	All sectors	1146	+0.4	+1.7
	Private sector	1151	+0.4	+1.6
	Public sector	1130	+0.4	+1.9
LCI analytical unadjusted		1264	+0.7	+3.0
		Level	Percent	
Average ordinary time hourly earnings		\$30.09	+0.6	+1.6
Hours at a glance (figures seasonally adjusted)		Level	Percent	
Average weekly paid hours for FTEs (QES)	Ordinary time	37.88	+0.1	+0.4
	Total	38.70	+0.3	+0.7
Total weekly paid hours (QES)		59.6 (million)	+0.9	+3.5
Total actual weekly hours worked (HLFS)		85.4 (million)	+1.0	+2.6

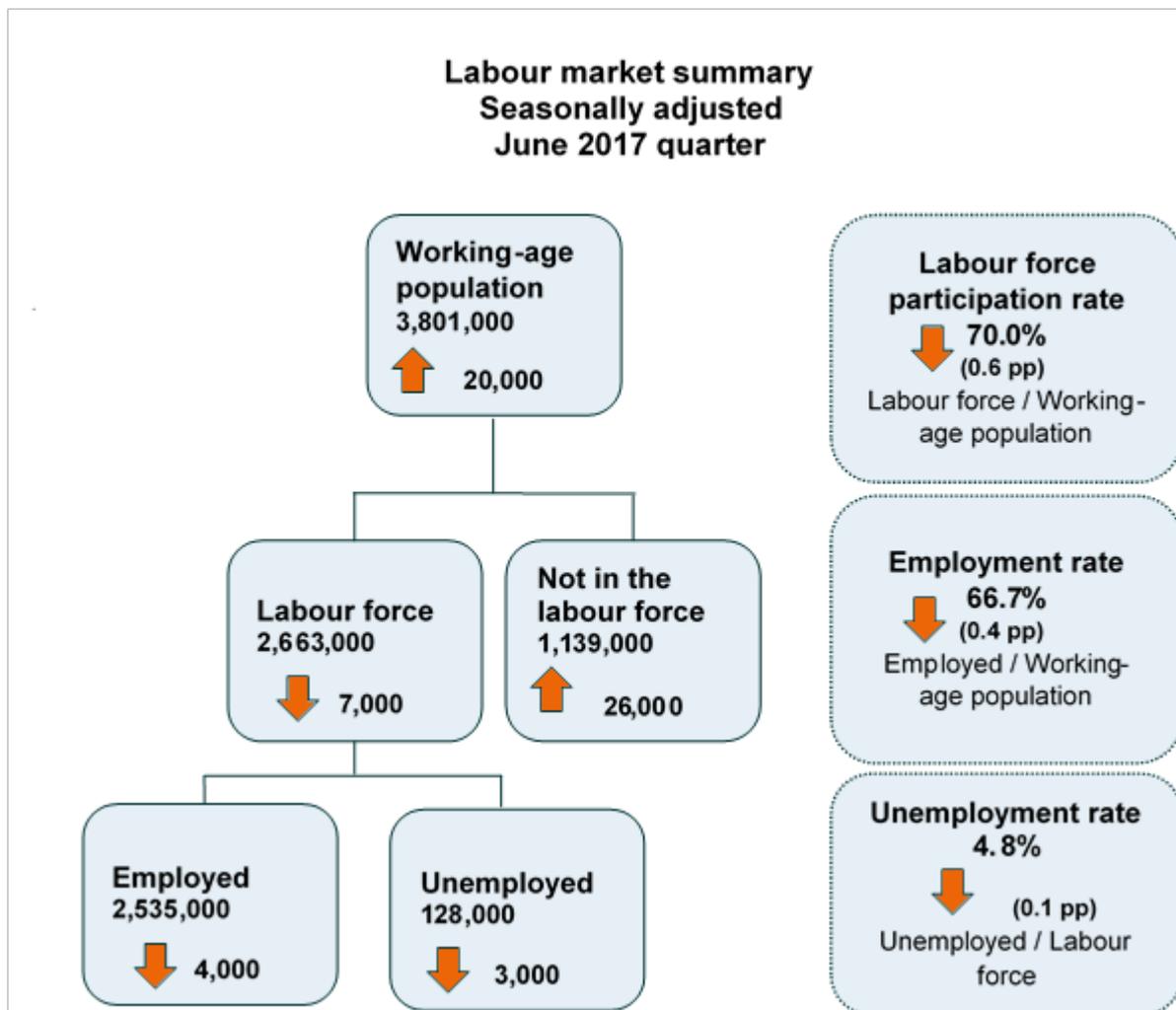
Liz MacPherson, Government Statistician
 ISSN 2422-8699
 2 August 2017

Commentary

- Employment rate drops to 66.7 percent
- Unemployment rate down to 4.8 percent
- Labour force participation rate down
- Employment up over the year
- Underutilisation drops
- NEET rate drops to 11.1 percent
- Wage rates grow 1.7 percent
- Higher unemployment rate for disabled people
- Spotlight on involuntary self-employment

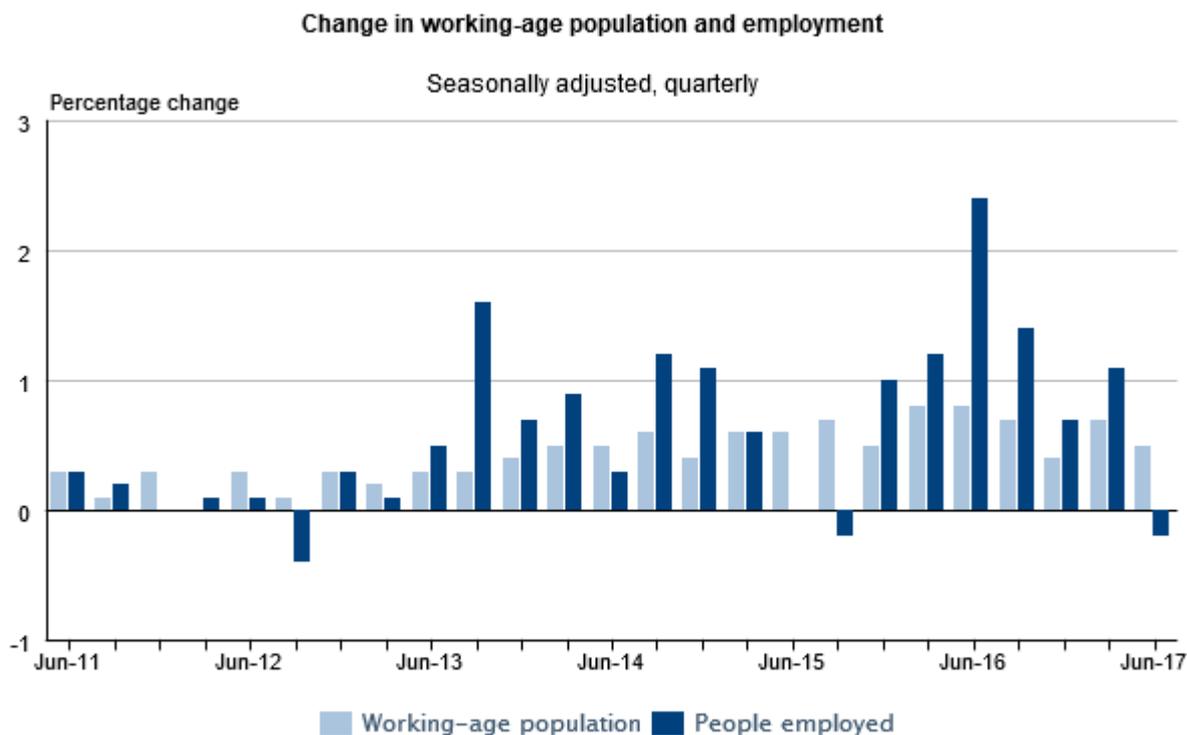
Employment rate drops to 66.7 percent

In the June 2017 quarter, the seasonally adjusted employment rate fell 0.4 percentage points (down 4,000 people) to 66.7 percent. This drop follows six quarters in which employment rose.



Due to rounding, the seasonally adjusted breakdowns do not always add to the total change.

New Zealand's working-age population increased by 0.5 percent in the June 2017 quarter (up 20,000 people) to 3,801,000. This is the first quarter since September 2015 that employment growth has been below population growth.



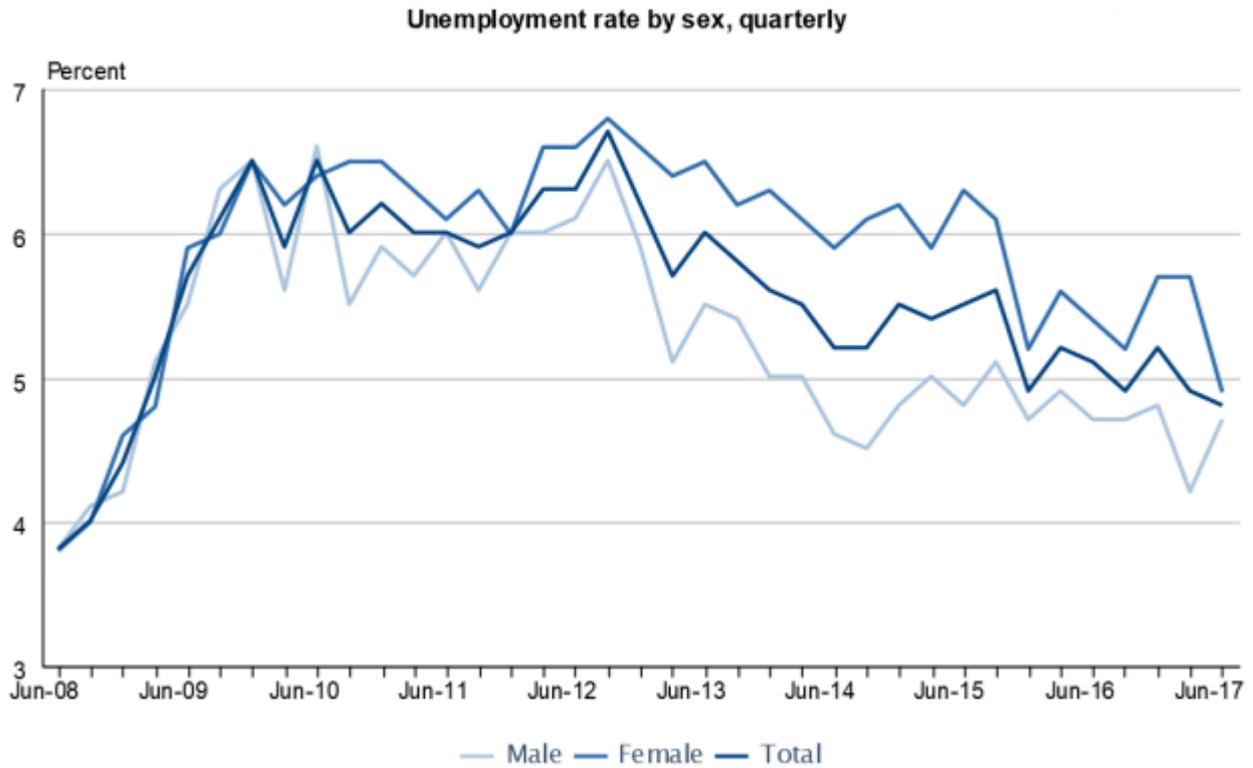
The fall in employment primarily came from 5,000 fewer men being in employment this quarter (down 0.4 percent), while the number of women in employment increased by 1,000 (0.1 percent).

Over the year to the June 2017 quarter, the seasonally adjusted employment rate increased 0.5 percentage points, from 66.2 percent to 66.7 percent.

Unemployment rate down to 4.8 percent

The seasonally adjusted unemployment rate dropped to 4.8 percent in the June 2017 quarter, falling 0.1 percentage points from 4.9 percent in the March 2017 quarter (down 3,000 people). This is the lowest unemployment rate since the December 2008 quarter, when it was 4.4 percent.

The fall in unemployment over the quarter came primarily from 10,000 fewer women being unemployed. This pushed the female unemployment rate down 0.8 percentage points to 4.9 percent – the lowest unemployment rate for women since the March 2009 quarter.



Source: Stats NZ

The male unemployment rate rose by 0.5 percentage points (up 7,000 men) to 4.7 percent in the June 2017 quarter.

Annual unemployment rate down in Nelson/Tasman/Marlborough/West Coast

The only region with a statistically significant annual change in unemployment rate was the Nelson/Tasman/Marlborough/ West Coast region, which dropped 2.9 percentage points to 3.0 percent. This represents 2,800 fewer unemployed people in the region.

Unemployment rates by regional council area

June 2017 quarter (compared with June 2016 quarter)

North Island: 4.9% (down 0.3 pp)

South Island: 4.0% (down 0.1 pp)

Note: pp means percentage points



Labour force participation rate down

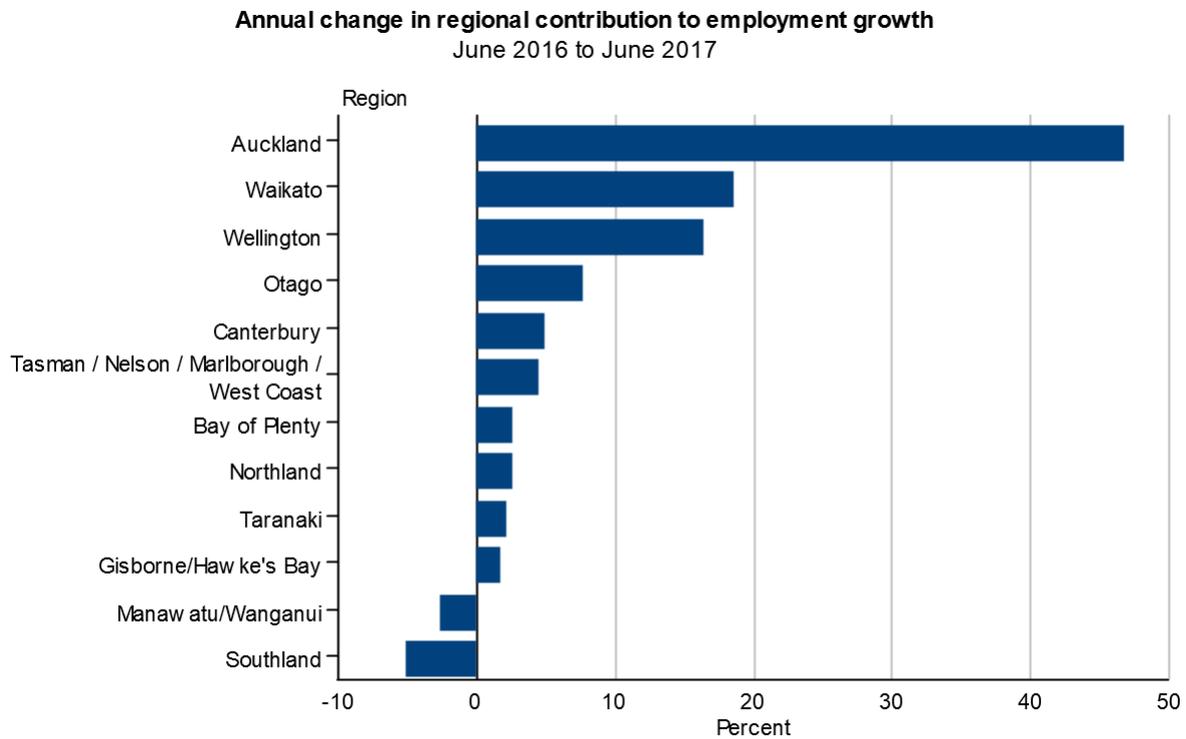
The labour force participation rate decreased by 0.6 percentage points (down 7,000 people) over the latest quarter, to 70.0 percent. The labour force comprises people in the working-age population who are either employed or unemployed. In the June 2017 quarter, 9,000 fewer women were in the labour force (down 0.7 percent) than in the March 2017 quarter.

The number of people 'not in the labour force' (NILF) increased by 26,000 over the June 2017 quarter (up 2.4 percent) – 20,000 of those who joined the NILF group were women.

Employment up over the year

Over the year to the June 2017 quarter, the unadjusted employment rate increased to 66.5 percent (up 0.4 percentage points) from 66.1 percent in the June 2016 quarter. This demonstrated 76,200 more people were employed over the year (up 3.1 percent).

Auckland had a statistically significant increase of 35,700 more people in employment over the June 2017 year (up 4.2 percent). Significant employment growth also occurred in Waikato (14,200 people, up 6.2 percent); Otago (5,800 people, up 5.1 percent); and Wellington (12,500, up 4.4 percent).



Employment up across multiple industries

Over the June 2017 year, several industries (as measured by the HLFS) had significant employment growth:

- professional, scientific, technical, administration and support services industry up 31,600 (11.1 percent)

- construction up 18,000 (8.3 percent)
- education and training up 16,700 (7.8 percent)
- transport, postal, and warehousing up 11,700 (12.4 percent)
- rental, hiring, and real estate services up 10,100 (24.4 percent).

Unadjusted filled jobs (as measured by the QES) increased 3.0 percent (up 56,600 jobs) over the year. By industry, the main contributors to this growth were:

- professional, scientific, technical, administration, and support services (up 23,000 jobs)
- construction (up 18,200 jobs)
- accommodation and food services (up 15,600 jobs).

Underutilisation drops

In the June 2017 quarter, the seasonally adjusted underutilisation rate fell by 0.5 percentage points to 11.8 percent. This represents 13,000 fewer underutilised people, down to 327,000.

Underutilisation is a measure of 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.

Stats NZ has expanded the existing suite of underutilisation statistics, by now seasonally adjusting this series as well as providing breakdowns by ethnicity and region.

[DataInfo+](#) has more information.

NEET rate drops to 11.1 percent

The seasonally adjusted proportion of youth (15–24 years) not in employment, education, or training (NEET) was 11.1 percent in the June 2017 quarter, falling 1.6 percentage points from the March 2017 quarter (down 12,000 people).

The female NEET rate was 12.2 percent, a 1.5 percentage-point drop (down 5,000) over the quarter. This is the lowest female NEET rate since the series began in March 2004. The male NEET rate was 10.1 percent in the June 2017 quarter, down 1.8 percentage points (down 7,000).

The NEET rate for those aged 15–19 years dropped 1.6 percentage points (down 6,000 people) to reach 8.8 percent. The NEET rate for the 20–24 years age group also fell 1.6 percentage points (down 6,000 people) to 13.2 percent – the second-lowest NEET rate since the beginning of the series.

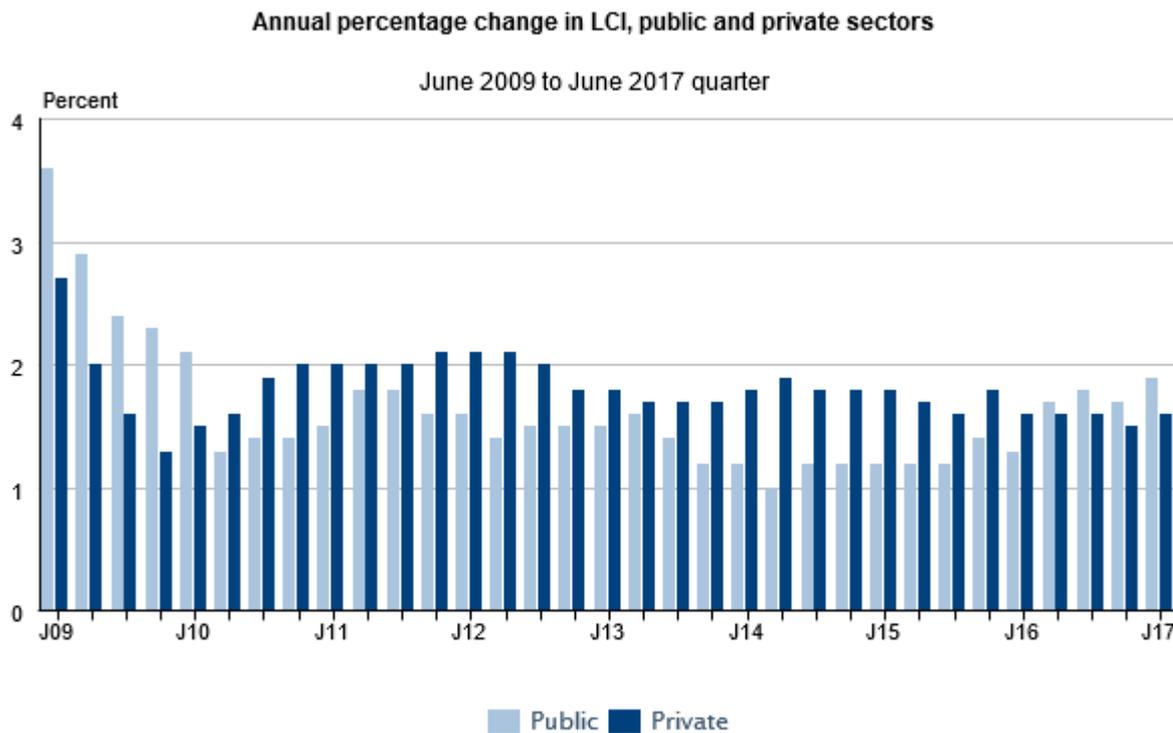
Over the latest quarter, there was an increase of 16,000 people in the 15–24 years age group who were not in the labour force and were in education (8.4 percent).

Wage rates grow 1.7 percent

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

The labour cost index (LCI) salary and wage rates (including overtime) increased 1.7 percent in the year. This measure of wage inflation reflects changes in the rates employers pay to have the same job done to the same standard.

Public sector annual wage rates increased 1.9 percent. Wage rates in the private sector increased by 1.6 percent. For the fourth quarter in a row, private sector wage inflation was lower than public sector inflation.



Source: Stats NZ

Within the public sector, all salary and wage rates for education and training increased 2.4 percent in the year. Part of this was due to the Ministry of Education’s renegotiated collective employment agreements. For some teachers, the collective pay increases awarded for the last two calendar years were both shown in the LCI for the June 2017 year.

This growth in wages in the education and training industry was reflected in the QES as well, with average hourly earnings in that industry rising 5.4 percent over the year, to \$35.81 per hour.

The adult minimum wage increase on 1 April, 2017, from \$15.25 an hour to \$15.75 an hour, contributed to wage inflation. The impact of this change was most noticeable in accommodation and food services and retail industries. The minimum wage change also affected skill level 5, which includes occupations that require no qualifications, a New Zealand Register level 1 qualification, or a short period of on-the-job training.

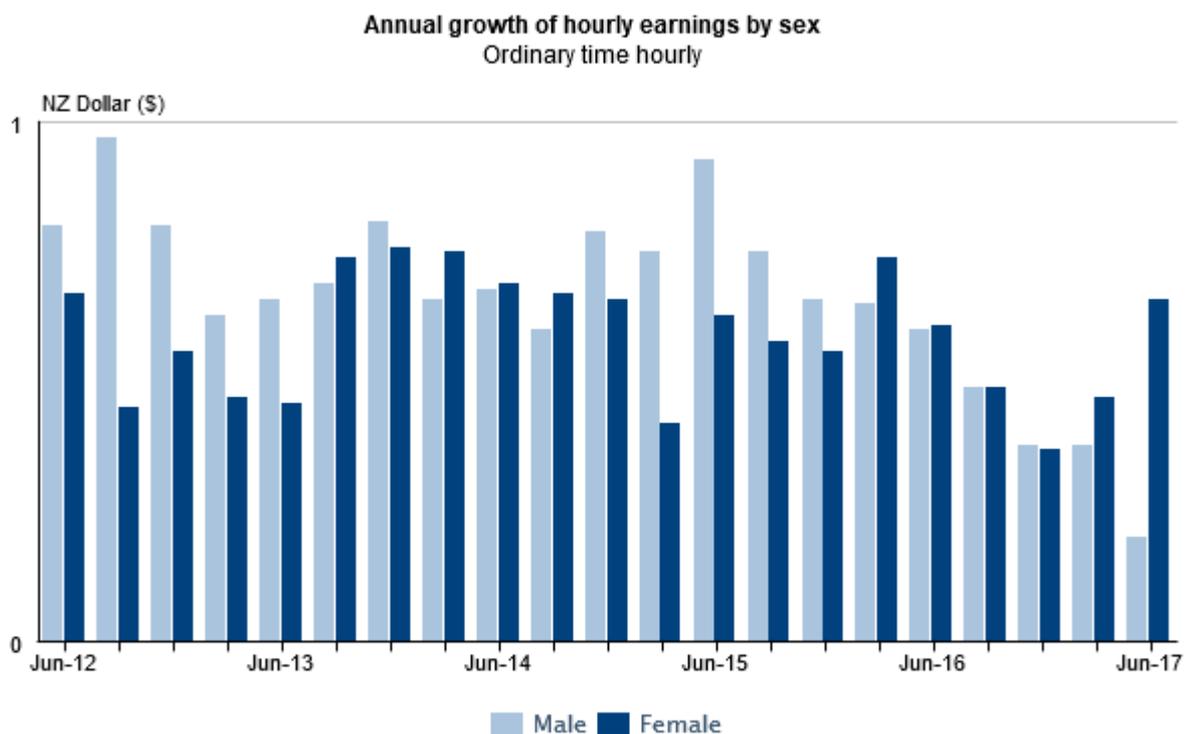
In the June 2017 quarter, the LCI showed an increase in 16 percent of all surveyed salary and ordinary time wage rates. Of these, 4 percent had the minimum wage increase as a factor.

The changes to carers’ wages from the Care and Support Worker (Pay Equity) Settlement Bill (2017) took effect from 1 July 2017, which is the start of the September 2017 quarter.

Wages up for women

Average ordinary-time hourly earnings from the QES increased by 1.6 percent over the year. The main causes were pay increases in the education, healthcare, public admin, and retail trade industries. A large increase in the number of filled jobs in the professional, scientific, technical, administration, and support services industry also contributed, as this industry continues to have relatively high hourly earnings.

Growth in average ordinary-time hourly earnings was particularly strong for women in the year to June 2017, increasing \$0.66 (up 2.4 percent) to \$28.03. By comparison, male average hourly earnings in the latest quarter were up \$0.29 for the year to \$31.82 (up 0.9 percent). Female average ordinary-time hourly earnings rose approximately twice as much as for males, both quarterly and annually.

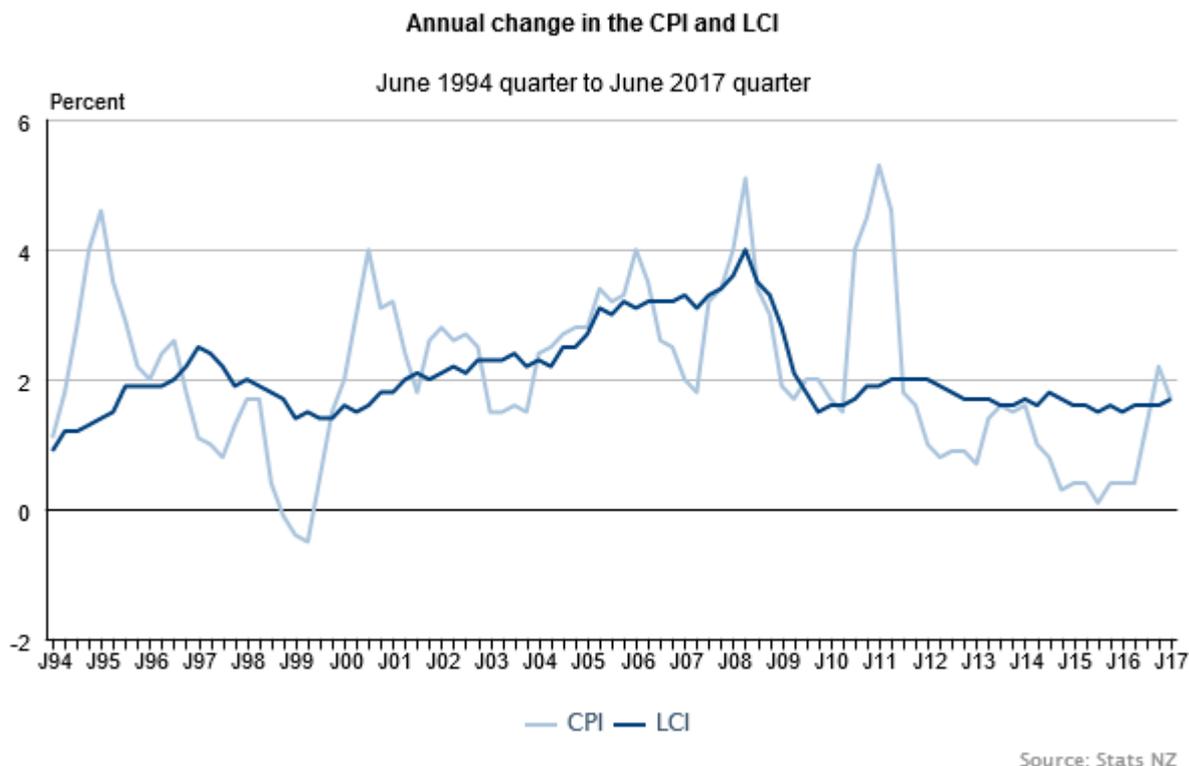


Source: Stats NZ

The difference between wage growth for the sexes can be explained by several of the industries that had pay increases in June 2017 having a high percentage of female employees (eg education and training and retail trade).

Annual CPI inflation at 1.7 percent

In the year to the June 2017 quarter, prices of goods and services bought by households, as measured by the consumers price index (CPI), increased 1.7 percent. In the same period, the LCI also increased 1.7 percent.



Annual CPI inflation dropped from 2.2 percent in the March 2017 quarter to 1.7 percent in the latest quarter. The LCI increased from 1.6 percent to 1.7 percent. The change in the CPI was influenced by recent price falls for petrol.

Higher unemployment rate for disabled people

From the June 2017 quarter, we are collecting data for people’s disability status annually in the HFLS. This enables us to report on different labour market outcomes for disabled people and non-disabled people in June quarters.

People are classified as disabled if they are either having a lot of difficulty or are incapable of: seeing or hearing (even with aids), walking or climbing stairs, remembering or concentrating, self-care, or communicating.

[Improving New Zealand Disability Data](#) has more information on this new measure and disability classifications.

In the June 2017 quarter, 11.4 percent of disabled people in the labour force were unemployed, compared with 4.5 percent of those without a disability.

The employment rate for disabled people was 22.4 percent, while it was 69.3 percent for those who were not disabled.

See the HFLS supplementary table in the ‘Downloads’ box for more data.

More detailed information will be available in a series of articles due to be released in September 2017.

Spotlight on involuntary self-employment

In the June 2016 quarter, we introduced new measures to the HLFS, including a measure on involuntary self-employment. This is where someone is self-employed primarily because waged or salaried work is unavailable, rather than from personal choice.

The June 2017 quarter showed the majority of self-employed people are satisfied being self-employed. Only 5.1 percent of self-employed reported they would prefer to work for an employer.

Although men (60.3 percent) make up a larger proportion of self-employed than women (39.7 percent), the involuntary self-employment rate for women (6.7 percent) was higher than the rate for men (4.0 percent).

People aged 15–24 years made up 2.5 percent of all self-employed, similar to their proportion of all employed people (2.1 percent). However, this age group had the highest involuntary self-employment rate (16 percent), more than twice the rate of any other age group.

The involuntary self-employment rate for Māori was 10.6 percent, more than double the rate of Asian people (3.9 percent) or Europeans (4.9 percent).

Self-employed people who prefer self-employment worked a median of 40 hours. Involuntary self-employed people worked a median of 30 hours.

For more detailed data on the labour market see the Excel tables in the ‘Downloads’ box.

Related links

Next release

Labour Market Statistics: September 2017 quarter will be released on 1 November 2017.

[Subscribe to information releases](#), including this one, by completing the online subscription form.

[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 March 2017 quarter unemployment rate remained at 4.9 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
Jun 2016	0.02	-0.01	-0.38	1.01	0.00	-0.09
Sep 2016	0.07	0.01	-0.08	-0.01	-0.01	-0.01
Dec 2016	0.05	0.03	-0.27	0.63	-0.07	-0.07
Mar 2017	-0.04	-0.02	0.72	-1.59	0.06	0.18

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
Jun 2016	-0.02	-0.01	0.00	0.09	0.02	0.02
Sep 2016	0.22	0.01	-0.54	0.57	-0.03	-0.07
Dec 2016	0.43	0.07	0.14	1.19	-0.23	-0.26
Mar 2017	-0.17	-0.18	5.10	-5.51	0.37	0.89

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	1.78	1.78
Female unemployed	0.53	0.85	1.90	1.93
Male not in labour force	0.10	0.17	0.39	0.38
Female not in labour force	0.09	0.15	0.35	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:

Annelies van der Mijl

Wellington 04 931 4661

Email: info@stats.govt.nz

For technical information contact:

Alexandra Ferguson or Matthew Stansfield

Wellington 04 931 4686 or 04 931 4534

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)

Email: info@stats.govt.nz

Subscription service:

Subscribe to information releases, including this one, by completing the online subscription form.

Correction notifications:

Subscribe to receive an email if a correction notice is published for Labour Market Statistics.

Unsubscribe to correction notifications for Labour Market Statistics.

Subscribe to all to receive an email if a correction notice is published for any of our information releases.

Unsubscribe to all if you change your mind.

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

1. People employed, unemployed, and not in labour force, by sex, seasonally adjusted series
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
7. People employed
8. People employed, by employment status and sex
9. People employed, by industry and sex
10. Total actual hours worked
11. People employed, unemployed, not in the labour force, and total actual hours worked, seasonally adjusted series
12. Underutilisation, by sex, seasonally adjusted series
13. People underemployed, by sex
14. People employed, unemployed, and not in labour force, by sex and formal study status
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

Quarterly employment survey tables

1. Full-time equivalent employees (FTEs), actual, seasonally adjusted, and trend series
2. Filled jobs, actual, seasonally adjusted, and trend series
3. Full-time equivalent employees (FTEs), by ANZSIC06 industry
4. Total weekly paid hours, actual, seasonally adjusted, and trend series
5. Total weekly gross earnings, actual, seasonally adjusted, and trend series
6. Average weekly paid hours for FTEs, actual, seasonally adjusted, and trend series
7. Average weekly earnings for FTEs, by sector
8. Average hourly earnings, by sector
9. Average hourly earnings, by sex

Labour cost index tables

1. Salary and wage rates by sector, all industries/occupations combined
 - 2.1 Salary and wage rates by industry and by occupation, public sector
 - 2.2 Salary and wage rates by industry and by occupation, public sector, percentage change from previous quarter
 - 2.3 Salary and wage rates by industry and by occupation, public sector, percentage change from same quarter of previous year
 - 3.1 Salary and wage rates by industry and by occupation, private sector
 - 3.2 Salary and wage rates by industry and by occupation, private sector, percentage change from previous quarter

- 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
- 4.2 Salary and wage rates by industry, all sectors combined, percentage change from previous quarter
- 4.3 Salary and wage rates by industry, all sectors combined, percentage change from same quarter of previous year
- 5.1 Salary and wage rates by occupation, all sectors combined
- 5.2 Salary and wage rates by occupation, all sectors combined, percentage change from previous quarter
- 5.3 Salary and wage rates by occupation, all sectors combined, percentage change from same quarter of previous year
- 6.1 Distribution of annual movements, all sectors combined
- 6.2 Proportions of salary and wage rates increasing, private sector and all sectors combined
- 6.3 Distribution of annual increases by reason, all sectors combined
- 7.1 Median and mean increases, all sectors combined
- 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

Household labour force supplementary table

- 1. People employed, unemployed, and not in labour force, by disability status

Quarterly employment survey supplementary tables

Average total hourly earnings, by ANZSIC06 industry

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

Infoshare allows you to organise data in a way that best meets your needs. You can view the resulting tables onscreen or download them.

Use Infoshare

For this release, select the following categories from the Infoshare homepage:

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

Labour Market Statistics: September 2017 quarter will be released on 1 November 2017.