

## Labour Market Statistics: March 2017 quarter

Embargoed until 10:45am – 03 May 2017

### Key facts

#### Labour market at a glance

- Unemployment rate falls below 5 percent.
- Employment growth continues to exceed population growth.
- Accommodation and food services, and construction lead increase in filled jobs over the year.
- Wage growth remains steady.

Employment at a glance (seasonally adjusted)		Mar 2017 quarter	Quarterly change	Annual change
		(000)	Percent	
Working-age population		3,782	+0.7	+2.6
Employed		2,539	+1.2	+5.7
Unemployed		132	-4.4	-0.8
Filled jobs		1,913	+0.3	+2.4
		Percent	Percentage points	
Employment rate		67.1	+0.3	+1.9
Unemployment rate		4.9	-0.3	-0.3
Labour force participation rate		70.6	+0.1	+1.8
Wages at a glance		Index	Percent	
Wage inflation (salary and wage rates, including overtime)	All sectors	1141	+0.4	+1.6
	Private sector	1146	+0.4	+1.5
	Public sector	1126	+0.3	+1.7
LCI analytical unadjusted		1255	+0.7	+3.0
		Level	Percent	
Average ordinary time hourly earnings		\$29.90	+0.5	+1.5
Hours at a glance (figures seasonally adjusted)		Level	Percent	
Average weekly paid hours for FTEs (QES)	Ordinary time	37.86	-0.2	+0.6
	Total	38.59	-0.2	+0.6
Total weekly paid hours (QES)		59.1 (million)	+0.1	+3.1
Total actual weekly hours worked (HLFS)		84.6 (million)	-0.6	+4.3

Liz MacPherson, Government Statistician  
ISSN 2422-8699  
3 May 2017

## Commentary

- [Note about the redeveloped Household Labour Force Survey](#)
- [Unemployment rate below 5 percent](#)
- [Employment growth continues to outpace population growth](#)
- [More men in both full-time and part-time employment](#)
- [Self-employment on the rise](#)
- [Accommodation and food services, and construction, drive annual increase in jobs](#)
- [Mixed unemployment outcomes across the regions](#)
- [Fall in number of youth NEET](#)
- [Wage growth remains steady](#)
- [Spotlight on labour market outcomes by household tenure](#)

### **Note about the redeveloped Household Labour Force Survey (HLFS)**

The March 2017 quarter release includes results of the redeveloped HLFS, which has now been in the field for four quarters.

Improvements to the survey that affect the results in the June 2016 quarter continue to affect our ability to make annual comparisons in certain instances. For this reason, we refer to quarterly movements in areas where we would normally make annual comparisons.

[Labour Market Statistics period specific information – DataInfo+](#) has more information and analysis on the impact of changes to the HLFS, including an update on our investigations.

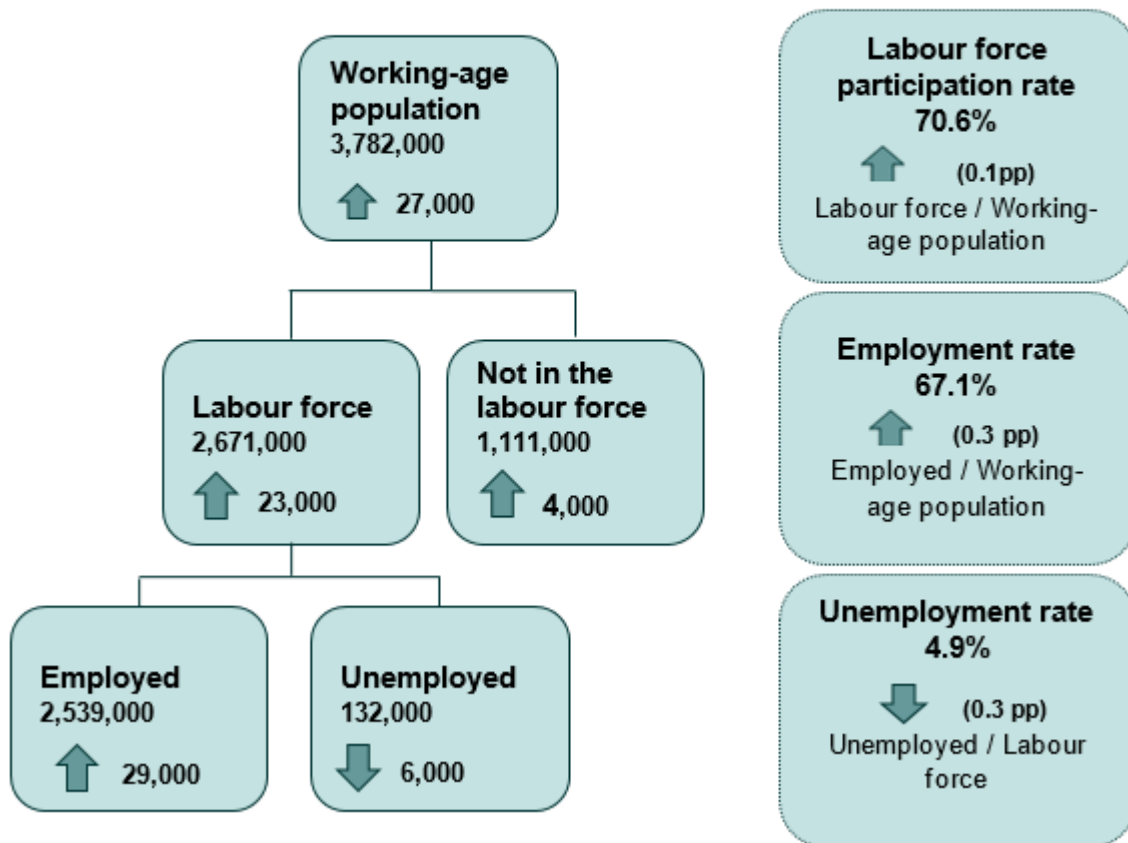
[Improving labour market statistics](#) has more information about the HLFS redevelopment.

### **Unemployment rate below 5 percent**

In the March 2017 quarter, the seasonally adjusted unemployment rate fell 0.3 percentage points to 4.9 percent. The fall reflected 6,000 fewer people being unemployed over the quarter.

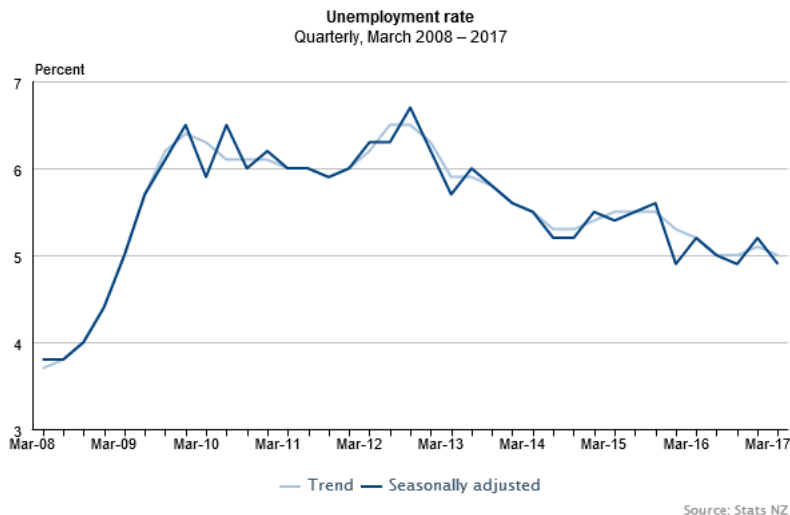
People who are unemployed are those who are available to work, and had either actively sought work or had a new job to start within the next four weeks.

**Labour market summary  
Seasonally adjusted  
March 2017 quarter**



Compared with the March 2016 quarter, the unemployment rate also dropped 0.3 percentage points, from 5.2 percent, and there were 1,000 fewer people unemployed.

The trend series shows the unemployment rate was 5.0 percent, down from 5.1 percent in the December 2016 quarter and 5.2 percent a year ago. The trend series removes both the seasonal and irregular component of the series and reveals the underlying direction of movement.



## Fewer men unemployed

The fall in the number of people unemployed over the latest quarter came primarily from fewer men being unemployed. The seasonally adjusted number of unemployed men fell 11.7 percent (8,000 men) over the quarter, which pushed their unemployment rate down 0.6 percentage points, to 4.2 percent. This is the lowest unemployment rate for men since the December 2008 quarter, when it was also 4.2 percent.

There was a 2.5 percent increase in the number of women (2,000) unemployed over the March 2017 quarter, but their unemployment rate was unchanged, at 5.7 percent.

## Fewer underutilised people in the labour market

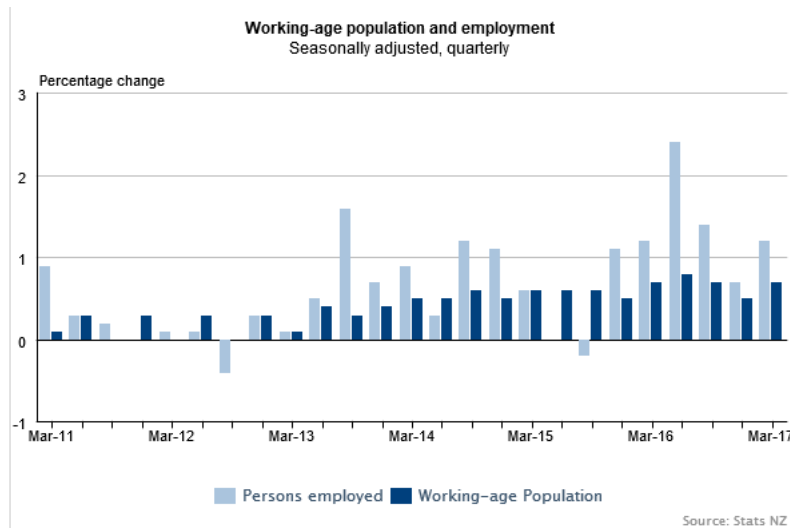
Underutilisation is a measure of the potential labour supply and unmet need for work. An underutilised person may be unemployed, underemployed, an unavailable jobseeker, or an available potential jobseeker.

In the March 2017 quarter, the unadjusted underutilisation rate fell 0.3 percentage points (not significant), to 12.5 percent. This represented 8,200 fewer people (not significant) being underutilised, with a significant decrease of 9,500 unavailable job seekers (these are people who have been actively seeking work, but were not available to start immediately).

## Employment growth continues to outpace population growth

In the March 2017 quarter, seasonally adjusted employment rose 1.2 percent, with 29,000 more people employed than in the December 2016 quarter. In that quarter, there was a 0.7 percent increase from the September 2016 quarter.

The working-age population increased 0.7 percent (up 27,000 people) in the latest quarter, to reach 3,782,000. Growth in employment in the quarter exceeded growth in the working-age population for the sixth quarter in a row. The continued employment growth, relative to population growth, resulted in a 0.3 percentage-point increase in the employment rate, to 67.1 percent.



The number of people participating in the labour force grew 0.9 percent (23,000 more people), to reach 2,671,000. The labour force comprises all those in the working-age population who were either employed or officially unemployed.

The increase in the labour force was due to more people being employed, as the number of unemployed people fell.

### More men in both full-time and part-time employment

Overall, in seasonally adjusted terms, 12,000 more people were in full-time and 16,000 more in part-time employment in the March 2017 quarter.

The seasonally adjusted number of men employed increased 1.5 percent (up 20,000). The number in full-time employment rose 1.0 percent (11,000) and the number in part-time employment rose 6.2 percent (up 10,000).

The seasonally adjusted number of employed women rose 0.7 percent (up 9,000). The number of women in part-time employment increased 1.9 percent (up 7,000), and was up 0.1 percent (1,000) for full-time employment.

Note: The seasonally adjusted employed series for men and women total do not equal the sum of the seasonally adjusted full-time and part-time series because these series are adjusted separately.

### Self-employment on the rise

In the March 2017 quarter, the number of self-employed people (without employees) increased significantly – up 8.9 percent (24,700) to reach 302,200.

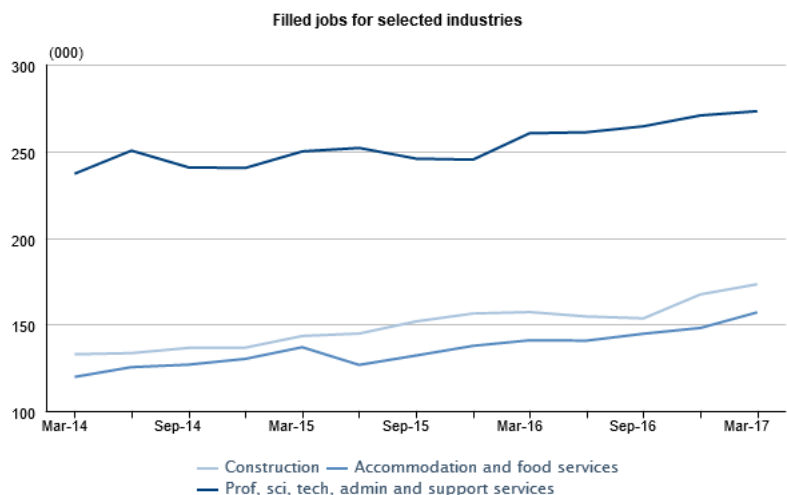
This increase is one reason why employment growth indicators from the Household Labour Force Survey (HLFS) are notably higher than those the Quarterly Employment Survey (QES) produces. The QES showed a 0.3 percent increase in seasonally filled jobs (as reported by businesses) in the March 2017 quarter, below the 1.2 percent increase in the number of people employed (HLFS).

The two surveys are different conceptually and in scope. Key differences in coverage are that the QES excludes certain industries, self-employment (without employees), and unpaid family workers. It is possible to produce a 'comparable' series of the HLFs that excludes these same components. Doing this, seasonally adjusted employment growth is 0.5 percent over the quarter instead, which is much closer to the increase in filled jobs (0.3 percent).

## Accommodation and food services, and construction, drive annual increase in jobs

Over the year to the March 2017 quarter, unadjusted filled jobs (as reported by the QES) increased 2.5 percent (up 46,200). These industries made the largest contributions to the increase:

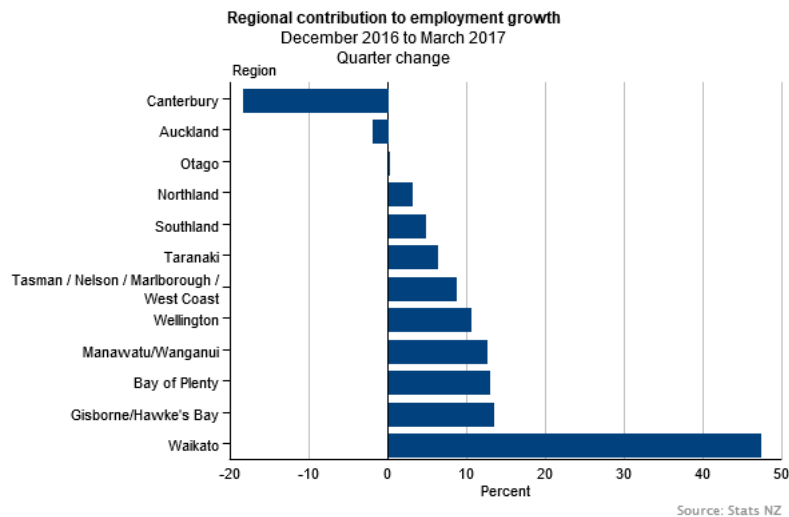
- accommodation and food services (up 16,200)
- construction (up 16,100)
- professional, scientific, technical, admin and support services (up 12,700).



## Waikato employment builds

In the March 2017 quarter, Waikato was the only region that had a significant increase (9,500 people) in unadjusted employment. This included a significant increase of people in the construction industry (3,600).

Auckland showed no real change over the quarter, but this is quite typical for this region in March quarters.

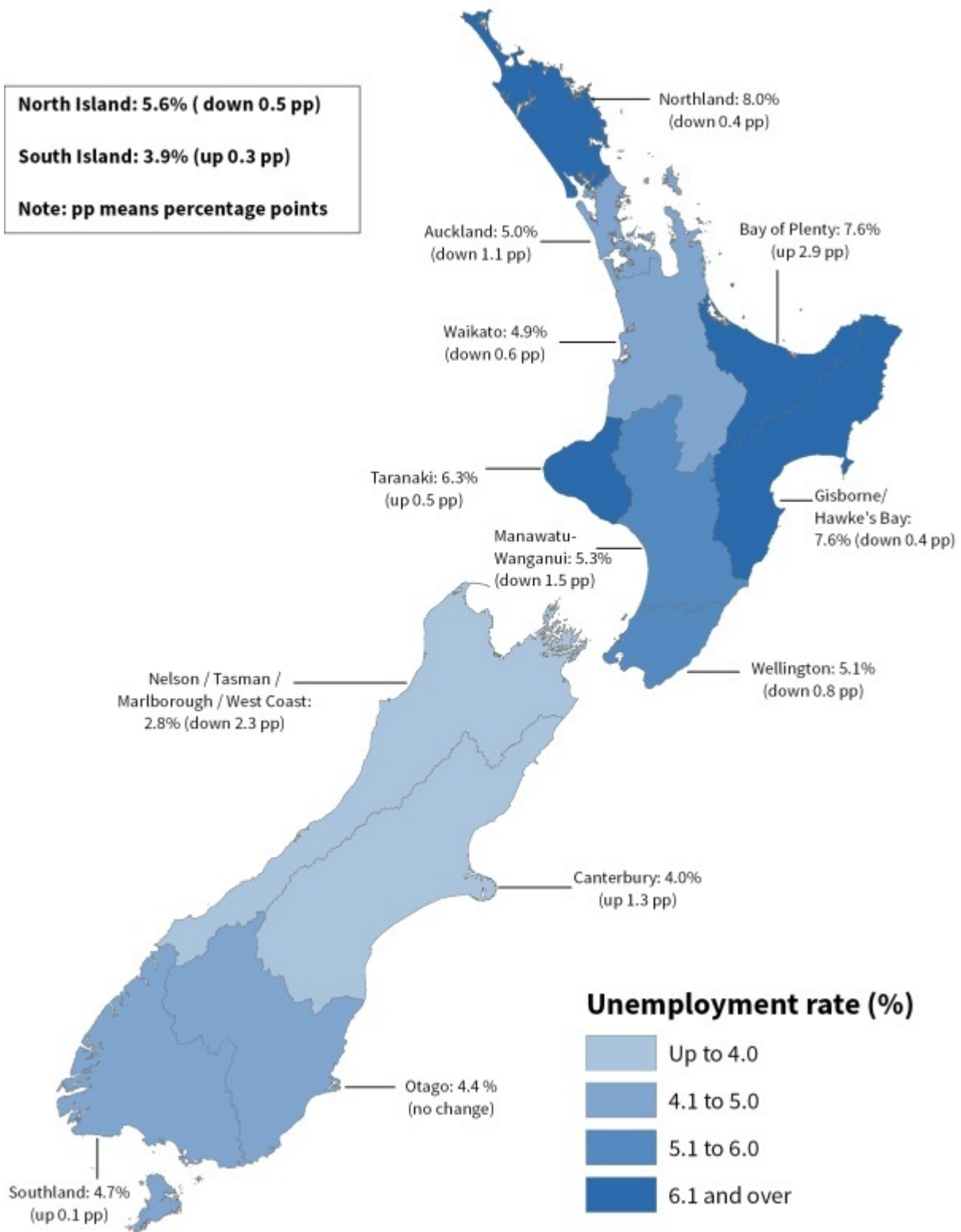


## Mixed unemployment outcomes across the regions

At the national level, the unemployment rate (not seasonally adjusted) fell from 5.5 to 5.2 percent over the year. However, outcomes across the different regions were mixed. The unemployment rate dropped significantly in the Nelson/Tasman/Marlborough/West Coast region, but there were increases in the Bay of Plenty and Canterbury.

## Unemployment rates by regional council area

### March 2017 quarter (compared with March 2016 quarter)





The Nelson/Tasman/Marlborough/West Coast region had a significant fall of 2.3 percentage points when compared with the March 2016 quarter. At 2.8 percent, it had the lowest unemployment rate in the country in the latest quarter.

With a significant 2.9 percentage-point increase (up to 7.6 percent), Bay of Plenty had the biggest unemployment rate rise when compared with last year. Overall labour force participation increased in this region, with 6,600 fewer people considered 'not in the labour force' than last year, and 5,500 more people unemployed.

## **Fall in number of youth NEET**

The seasonally adjusted proportion of youth (15–24 years) not in employment, education, or training (NEET) was 12.8 percent, a 0.7 percentage-point fall from the December 2016 quarter (down 4,000 people).

The 20–24-year group NEET rate was 14.9 percent, a 2.2 percentage-point drop from the previous quarter. Included in the 8,000 fewer NEET youth in the March 2017 quarter were 3,000 fewer 'unemployed and not in education', and 6,000 fewer people who were 'not in the labour force, not caregiving'.

The 15–19-year group NEET rate was 10.5 percent, a 0.9 percentage-point increase from the December 2016 quarter. This is the highest NEET rate for 15–19-year-olds since the March 2011 quarter (when it was 11.5 percent). Of the 3,000 more people in this age group who were NEET in the latest quarter, 2,000 were people 'unemployed and not in education', and 2,000 were 'not in the labour force, not caregiving'.

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

## **Wage growth remains steady**

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

The annual increase in salary and wage rates for all sectors (LCI including overtime) remained at 1.6 percent for the third quarter in a row. This measure of wage inflation reflects changes in the rates that employers pay to have the same job done to the same standard.

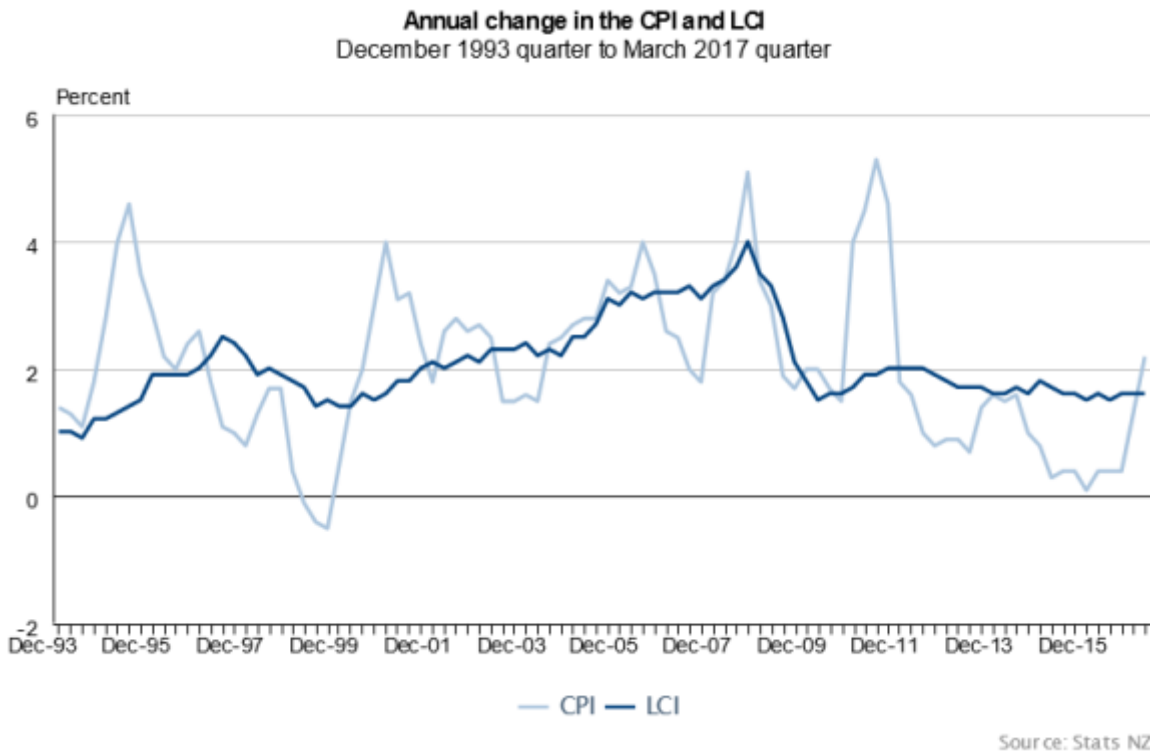
In the year to the March 2017 quarter, prices of goods and services bought by households, as measured by the consumer price index (CPI), increased 2.2 percent, its highest annual increase since September 2011. With the LCI increasing 1.6 percent, this is the first time since the September 2011 quarter that wage inflation was below consumer inflation.

Annual CPI inflation increased from 1.3 percent in the December 2016 quarter to 2.2 percent in the March 2017 quarter, with petrol prices falling in the year to December and rising in the year to March.

Consumers Price Index: March 2017 quarter has more information.

Average ordinary time weekly earnings from the QES increased 2.1 percent in the year ending March 2017, bringing them up to \$1,133.38. This is up from the December 2016 quarter's 1.6 percent annual change.

The unadjusted LCI increased 3.0 percent over the year. This measure allows for quality changes within occupation as well as wage inflation.



Average ordinary-time hourly earnings, from the QES, increased 1.5 percent over the year, compared with 2.4 percent for the March 2016 year. This measure shows changes in the average hourly wage bill across all jobs in surveyed industries and allows for compositional changes between and within industries. The subdued growth was partly due to more filled jobs and paid hours in the accommodation and food services industry, which is the industry group with the lowest average hourly earnings.

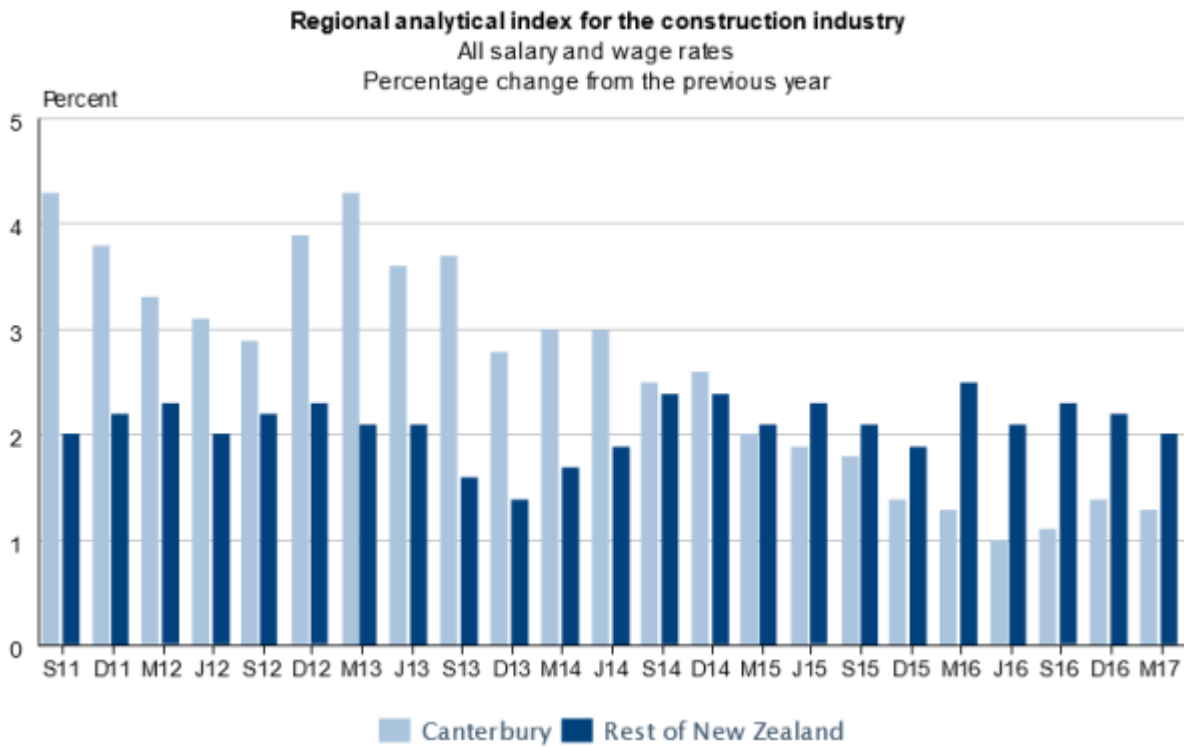
### Stronger growth in public sector wages

For the third quarter in a row, private sector wage inflation (as measured by the LCI) was lower than public sector inflation (1.5 percent, and 1.7 percent, respectively). Local government wages increased 2.0 percent, compared with 1.6 percent for central government. The growth in private sector wages was the lowest since the June 2010 year.

The growth in public sector wages also continued to outpace the private sector in average total hourly earnings from the QES. Public sector wages rose 4.2 percent, to reach \$38.87; for the private sector they rose 1.3 percent, to reach \$27.89.

### Wage growth eases in the construction industry

Annual salary and wage growth for the construction industry over the year ended March 2017 eased to 1.8 percent, compared with 2.1 percent in the December 2016 year. In Canterbury, annual construction wage growth eased to 1.3 percent, from 1.4 percent in the December 2016 year. For the rest of New Zealand, annual wage growth in construction eased to 2.0 percent from 2.2 percent growth in the December 2016 year.



Source: Stats NZ

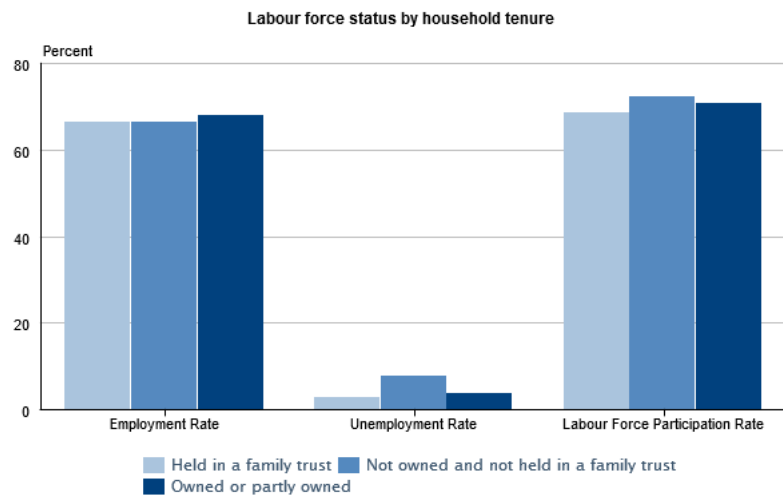
## Spotlight on labour market outcomes by household tenure

Household tenure is a new topic introduced into the redeveloped HLFS. It asks whether anyone living in the household owns the dwelling or the dwelling is held in a family trust. This means we can look at different labour market outcomes depending on the ownership of the dwelling people are living in. This can help to understand how home ownership can affect job or regional mobility. For example, it may be more difficult for someone to find work or change jobs if they currently own a dwelling they are paying a mortgage on.

Here, we look at unemployment rates based on the different categories of household tenure.

In the March 2017 quarter, just over half (50.3 percent) of the working-age population lived in a dwelling owned or partly owned by an occupant. Thirty-four percent lived in a dwelling not owned, or not held in a family trust, while 14.9 percent had the house in a family trust.

However, when we break down the working-age population by labour force status, just over half (52.6 percent) of all unemployed people lived in a dwelling not owned or held in a family trust. In contrast, 50.8 percent of employed people, and 50.7 percent of people not in the labour force, lived in a dwelling owned or partly owned by an occupant.



The unemployment rate was higher for those in the ‘dwelling not owned and not held in a trust’ group – 7.9 percent compared with the overall unemployment rate of 5.2 percent (not seasonally adjusted). The unemployment rate was 3.0 percent for those whose dwelling is held in a family trust, and 3.9 percent for those who own or partly own their dwelling.

When broken down by broad age groups, the same pattern is found, except for the 15–24-year age group (which will include a large number of students living at home, or renting with other students). The unemployment rate for 25–44-year-olds was 6.6 percent for those living in a dwelling not owned or in a family trust, compared with 3.0 percent for those living in a dwelling that is owned by an occupant.

See the HLFS supplementary table in the 'Downloads' box for more data.

For more detailed data about labour market statistics, see the Excel tables in the 'Downloads' box.

## Related links

### Next release

*Labour Market Statistics: June 2017 quarter* will be released on 2 August 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 recent 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 December 2016 quarter unemployment rate remained at 5.2 percent after we applied seasonal adjustment.

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

<b>Percent revision from last estimate, seasonally adjusted</b>						
<b>Quarter</b>	<b>Male employed</b>	<b>Female employed</b>	<b>Male unemployed</b>	<b>Female unemployed</b>	<b>Male not in labour force</b>	<b>Female not in labour force</b>
Mar 2016	0.00	-0.01	0.77	-0.08	-0.07	-0.03
Jun 2016	-0.01	0.00	-0.07	0.05	-0.02	0.00
Sep 2016	0.00	0.03	0.14	0.25	-0.02	-0.02
Dec 2016	0.00	0.00	-0.94	-0.18	0.12	0.04

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

<b>Percent revision from last estimate, trend</b>						
<b>Quarter</b>	<b>Male employed</b>	<b>Female employed</b>	<b>Male unemployed</b>	<b>Female unemployed</b>	<b>Male not in labour force</b>	<b>Female not in labour force</b>
Mar 2016	0.01	-0.01	0.16	0.09	-0.01	-0.10
Jun 2016	0.01	0.01	0.36	0.13	-0.05	-0.38
Sep 2016	-0.01	0.07	0.70	-0.15	-0.18	-0.43
Dec 2016	-0.14	-0.02	-3.58	0.22	0.44	0.17

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.

<b>Mean absolute percent revisions</b>				
	<b>Seasonally adjusted</b>		<b>Trend</b>	
	<b>1-step</b>	<b>4-step</b>	<b>1-step</b>	<b>4-step</b>
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	1.75	1.79
Female unemployed	0.52	0.85	1.87	1.93
Male not in labour force	0.1	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:**

Mark Gordon

Wellington 04 931 4620

**Email:** [info@stats.govt.nz](mailto:info@stats.govt.nz)

**For technical information contact:**

Kathy Jackson or Annelies van der Mijn

Wellington 04 931 4923 or 04 931 4661

**Email:** [info@stats.govt.nz](mailto: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](mailto: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
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, latest available

### 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 household tenure and age group

### **Quarterly employment survey supplementary tables**

- 1. Average total hourly earnings, by ANZSIC06 industry
- 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**

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: June 2017 quarter* will be released on 2 August 2017.