

Labour Market Statistics: September 2016 quarter

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Key facts

Labour market at a glance

- Employment growth continued to outpace population growth.
- Unemployment dropped to 4.9 percent.
- Labour force participation rate remained high at 70.1 percent.
- Overall growth in wages still subdued.

Employment at a glance (seasonally adjusted)		Sep 2016 quarter	Quarterly change	Annual change
		(000)	Percent	
Working-age population		3,739	+0.7	+2.8
Employed		2,494	+1.4	+6.1
Unemployed		128	-2.2	-7.0
Filled jobs		1,886	+0.6	+3.0
		Percent	Percentage points	
Employment rate		66.7	+0.5	+2.1
Unemployment rate		4.9	-0.1	-0.6
Labour force participation rate		70.1	+0.4	+1.7
Wages at a glance		Level	Percent	
Wage inflation (salary and wage rates, including overtime)	All sectors	1132	+0.4	+1.6
	Private sector	1137	+0.4	+1.6
	Public sector	1117	+0.7	+1.7
LCI analytical unadjusted		1234	+0.6	+2.6
Average ordinary time hourly earnings		\$29.78	+0.5	+1.7
Hours at a glance (figures seasonally adjusted)		Level	Percent	
Average weekly paid hours for FTEs (QES)	Ordinary time	37.85	+0.4	+0.2
	Total	38.61	+0.5	+0.1
Total weekly paid hours (QES)		58.3 (million)	+1.3	+3.4
Total actual weekly hours worked (HLFS)		84.1 (million)	+1.2	+6.7

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Commentary

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Note about the redeveloped Household Labour Force Survey (HLFS)

The September 2016 quarter release includes results of the redeveloped HLFS, which was in the field for its second quarter.

Improvements to the survey that affected the results from the June 2016 quarter have continued 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.

We also recommend caution when interpreting changes from the previous years.

[Labour Market Statistics: June 2016 quarter \(includes Household Labour Force Survey\)](#) and [Labour Market Statistics period specific information – DataInfo+](#) have more information and analysis on the impact of changes to the HLFS.

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

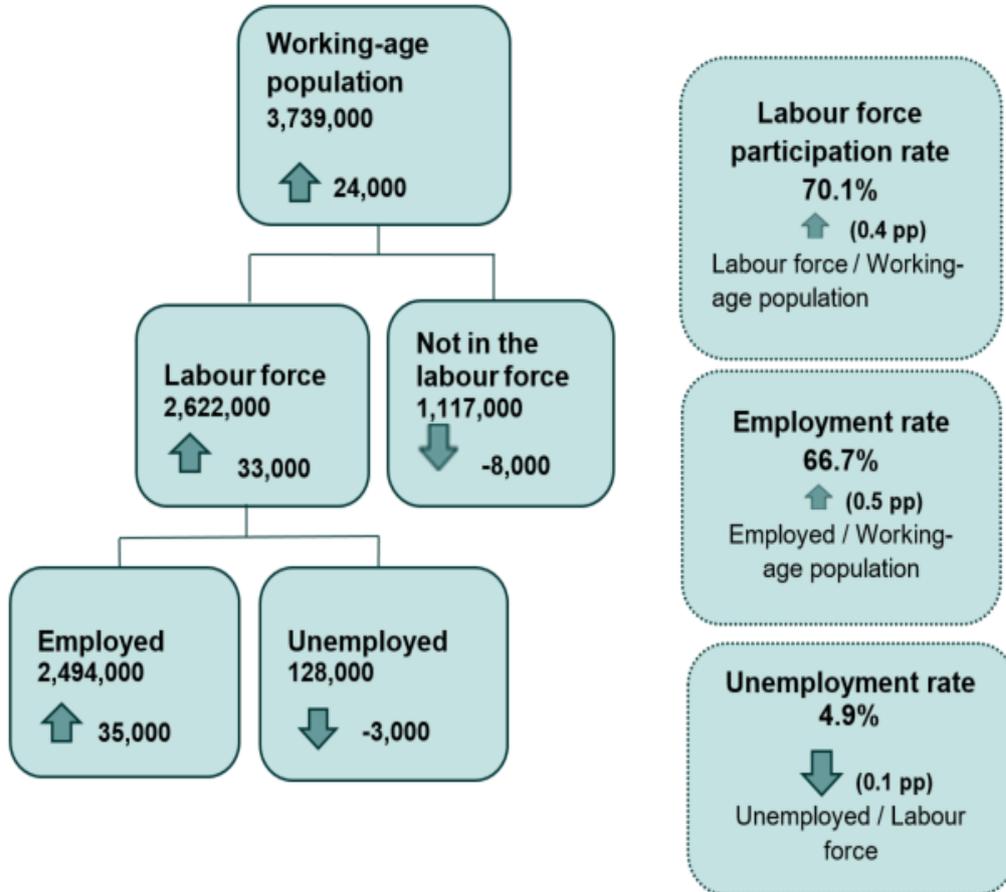
Employment growth continues to outpace population growth

The seasonally adjusted working-age population increased 0.7 percent (up 24,000 people) in the September 2016 quarter, to reach 3,739,000.

The largest growth in the population was in the younger age groups, with just over half of the population growth being in the 20 to 34-year age groups.

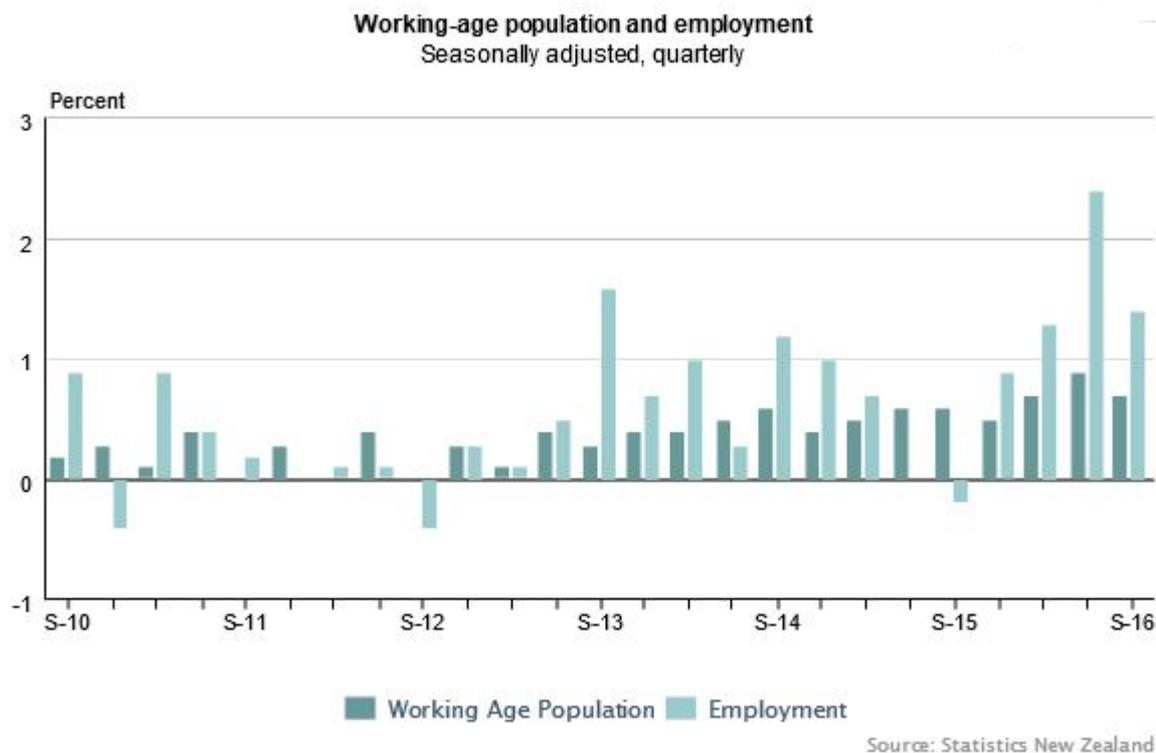
In the September 2016 quarter, seasonally adjusted employment increased 1.4 percent, with 35,000 more people employed than in the June quarter. The growth in employment in the latest quarter exceeded growth in the working-age population, which resulted in an increase in the employment rate of 0.5 percentage points, up to 66.7 percent.

Labour market summary
Seasonally adjusted
September 2016 quarter



The rise in seasonally adjusted employment over the September quarter differed for men and women. The number of employed men was up 1.9 percent (up 25,000); for women the increase was 0.9 percent (up 10,000) over the quarter.

Employment growth was strongest for the 25 to 29-year (up 7,200) and 45 to 49-year (up 6,000) age groups.



Rise in males in full-time and part-time employment

Seasonally adjusted full-time employment grew 0.3 percent (6,000 people) in the September 2016 quarter. For men, full-time employment increased 1.4 percent but for women it decreased 1.1 percent.

Seasonally adjusted part-time employment grew 4.0 percent (21,000 people) over the latest quarter. This was the largest growth in part-time employment since the March 2011 quarter. There was a 4.9 percent increase in part-time employment for men and a 2.7 percent increase for women.

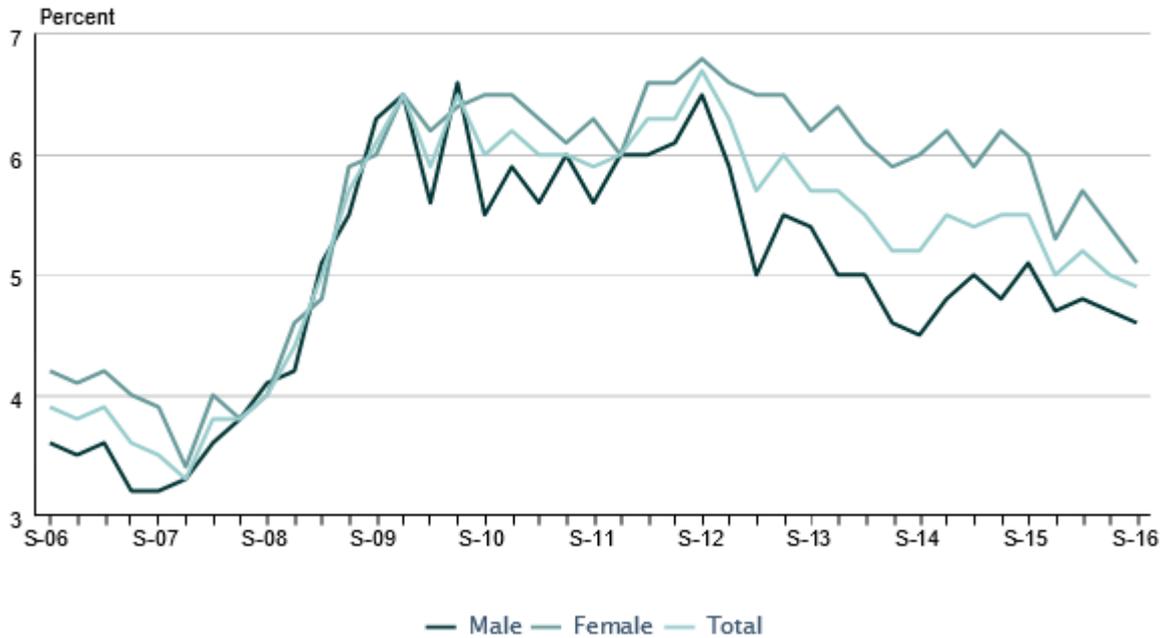
Unemployment drops to 4.9 percent

The seasonally adjusted unemployment rate fell 0.1 percentage points to 4.9 percent in the September 2016 quarter, down from a revised 5.0 percent in the June 2016 quarter. This is the first time the unemployment rate has been below 5.0 percent since December 2008 (when it was 4.4 percent). This fall reflected 3,000 fewer people being unemployed over the quarter.

The fall in the number of people unemployed over the latest quarter came from fewer women being unemployed. The number of unemployed women fell 3,000 while the number of unemployed men remained unchanged.

The unemployment rate fell for both men and women. For women it fell 0.3 percentage points, to 5.1 percent (the lowest since March 2009), and for men it fell 0.1 percentage points, to 4.6 percent.

Unemployment rate by sex
Seasonally adjusted



Source: Statistics New Zealand

Nelson/Tasman/Marlborough/West Coast had the only significant change in unemployment rate over the year (down to 2.8 percent), falling 2.2 percentage points from the September 2015 quarter. This is the lowest unemployment rate for this region since December 2007, bringing it to a similar level as before the 2008 recession. At 2.8 percent, this also makes it the lowest unemployment rate in the country.

Unemployment rates by regional council area

September 2016 quarter (compared with September 2015 quarter)

North Island: 5.2% (down 0.8 pp)
 South Island: 3.8% (down 0.2 pp)
 Note: pp means percentage points



Labour force participation rate remains high

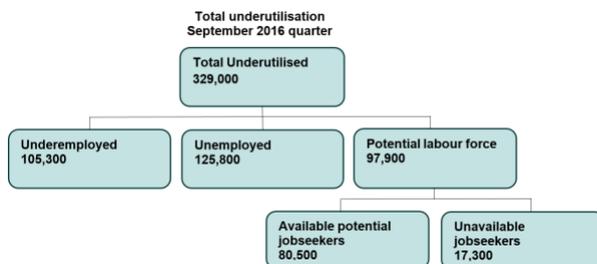
In the September 2016 quarter, the seasonally adjusted number of people not in the labour force fell 0.7 percent (down 8,000 people). This, coupled with the growth in employment, resulted in the labour force participation rate rising to 70.1 percent, a 0.4 percentage-point increase over the quarter. This reflects 33,000 more people in the labour force, with both more men and women.

Fewer people underutilised

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

Over the latest quarter the underutilisation rate fell 0.5 percentage points, to 12.2 percent. This reflects 13,000 fewer people being underutilised.

The decrease in the number of people underutilised was driven by a fall in the number of female 'available potential jobseekers', down 8,600. These are people who are available and want to work, but are not actively seeking work.



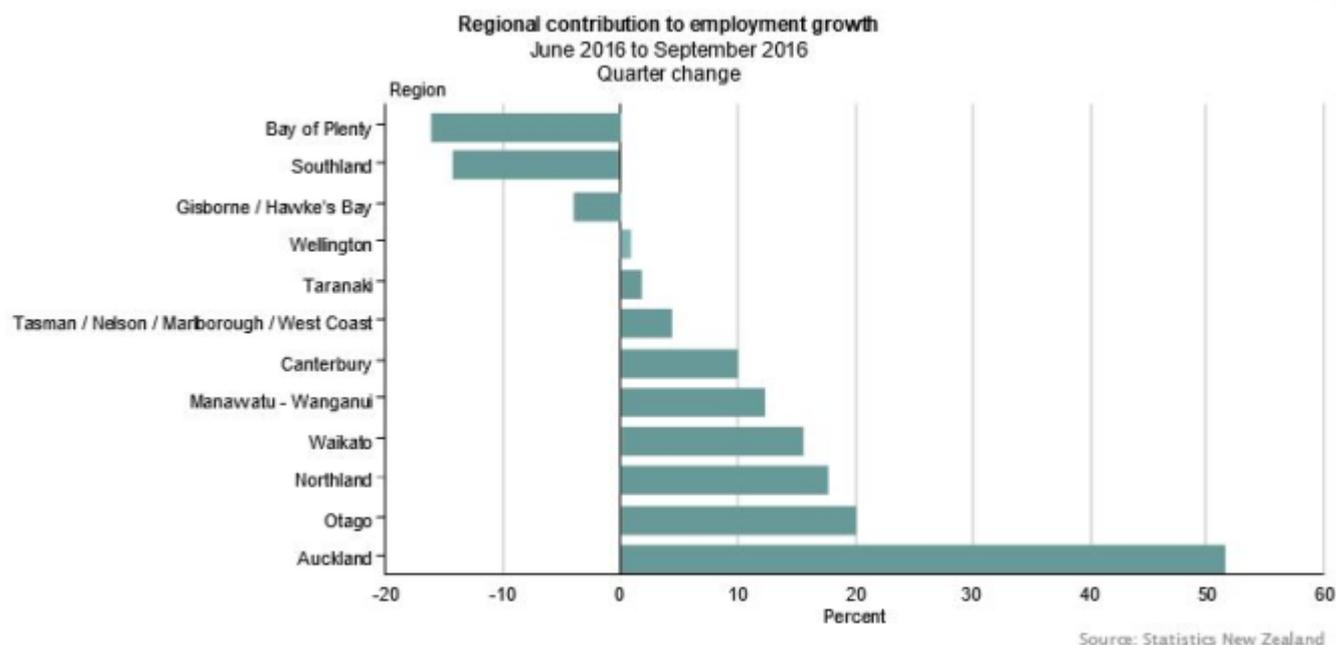
More employed in rental, hiring, and real estate services

The only industry to have a significant change in employment over the September 2016 quarter was rental, hiring, and real estate services, with 5,000 more people employed (in unadjusted terms). Most of this increase was in Auckland; however, Wellington and Manawatu-Wanganui also contributed.

Industries to have non-significant increases over the quarter included education and training; construction; and arts, recreation, and other services.

Auckland takes largest share of employment growth

Auckland accounted for over half the overall increase in the unadjusted employment over the September 2016 quarter (51.6 percent). This was followed by Otago (20.0 percent) and Northland (17.8 percent). No regions had significant changes in employment over the quarter.



More paid employees

In the September 2016 quarter, 18,700 more people were a paid employee in their main job. Over the same period, the number of employers increased 9,900 people, while the number who were self-employed and without employees decreased 11,100. This resulted in an overall fall in the number of self-employed people – down 1,200. These changes were not significant.

Filled jobs up 0.6 percent

In the September 2016 quarter, filled jobs, as measured by the Quarterly Employment Survey (QES), increased 0.6 percent (up 11,500 jobs).

Over the year to the latest quarter, filled jobs increased 3.0 percent (55,200 jobs). Industries making the largest contributions to the increase in filled jobs (not seasonally adjusted) over the year were:

- professional, scientific, technical, administration, and support services (up 18,700 jobs, 7.6 percent)
- accommodation and food services (up 12,600 jobs, 9.5 percent)
- arts, recreation, and other services (up 7,700 jobs, 8.0 percent).

Overall growth in wages still subdued

All the following movements are for the year to the September 2016 quarter.

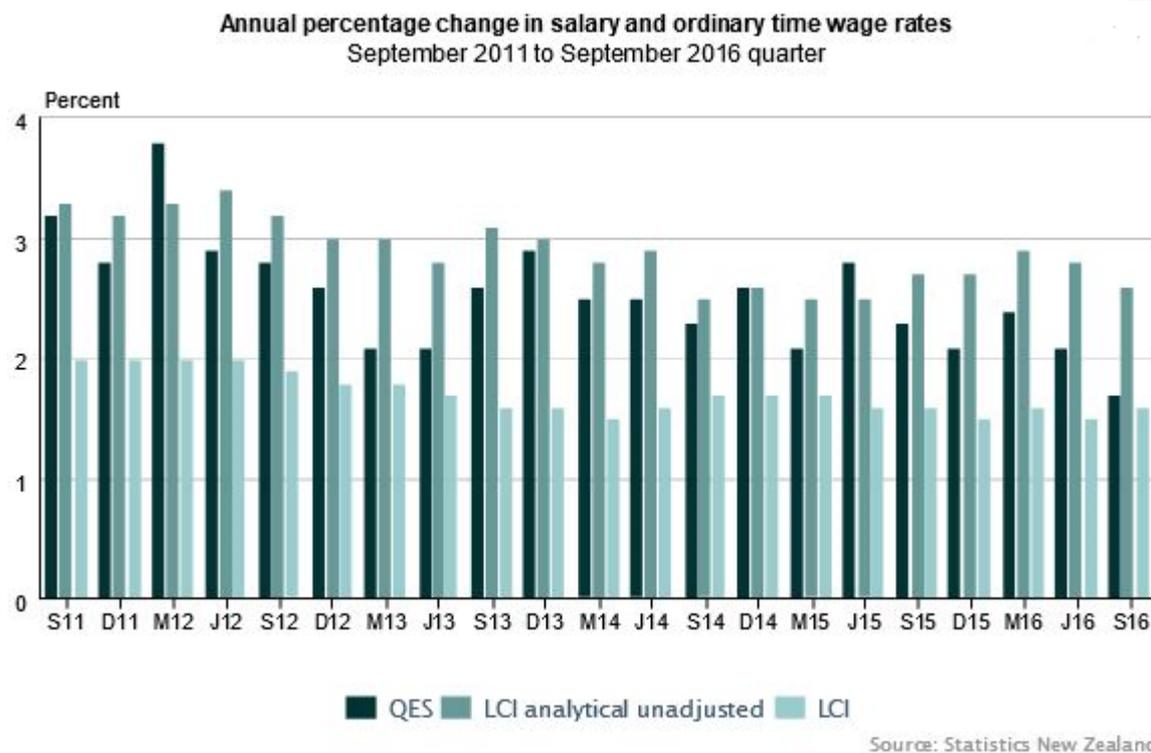
The labour cost index (LCI) (including overtime) increased 1.6 percent. This measure of wage inflation reflects changes in the rates that employers pay to have the same job done to the same standard.

The unadjusted LCI increased 2.6 percent. This measure allows for quality changes within occupation as well as wage inflation.

Average ordinary-time hourly earnings (from the QES) increased 1.7 percent in the year ended September 2016, compared with 2.3 percent a year earlier. 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. For example, if a large number of low-wage jobs and paid hours are lost in a quarter, average earnings will rise – because the low-wage jobs are no longer contributing to the calculation of average earnings.

Over the year, there was a compositional shift in the share of paid hours among industries – this affected average ordinary-time hourly earnings. Industries with a large shift in their share of total hours include: accommodation and food services; retail trade; professional, scientific, technical, administration, and support services; and arts, recreation and other services. All increased their share. Finance and insurance services; education and training; information, media, and telecommunications; and manufacturing had decreases in their shares of total paid hours.

Average ordinary time weekly earnings (from the QES) increased 1.9 percent in the year ended September 2016 – to reach \$1,123.21.

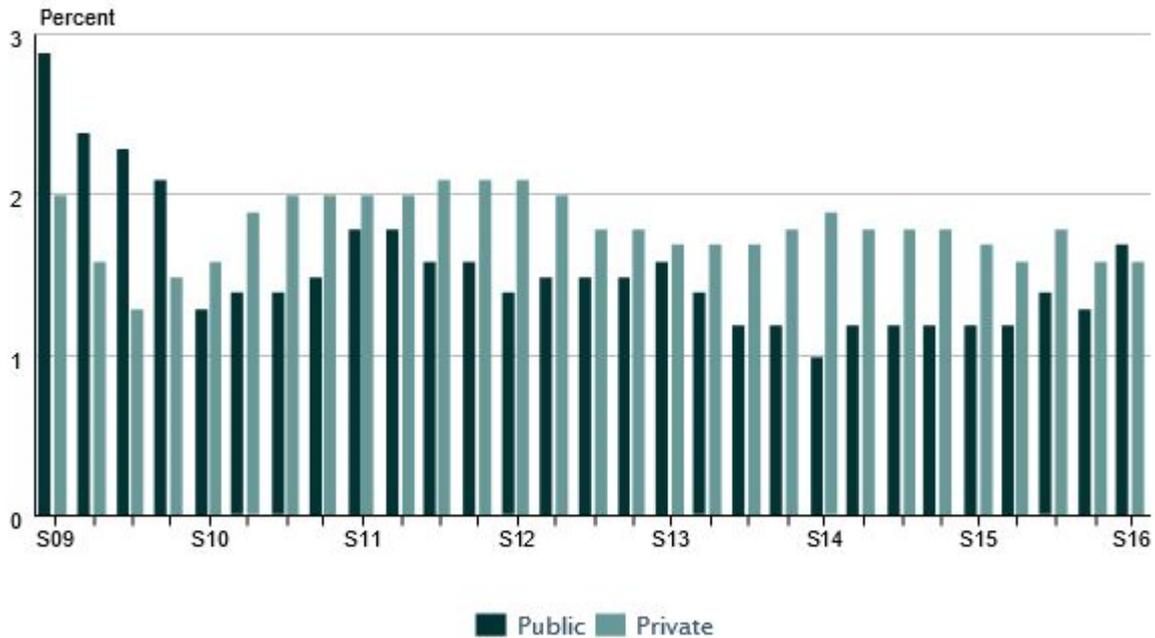


Growth in public sector wages

Over the year, the LCI (including overtime) for the public sector increased 1.7 percent; private sector wage growth was 1.6 percent. This is the first time since the June 2010 quarter that public sector wage growth has been higher than that in the private sector.

The increase in the public sector was influenced by collective agreements for nurses, primary teachers, and the police.

Annual percentage change in LCI by sector
September 2009 to September 2016



Source: Statistics New Zealand

Wage growth in construction remains strong

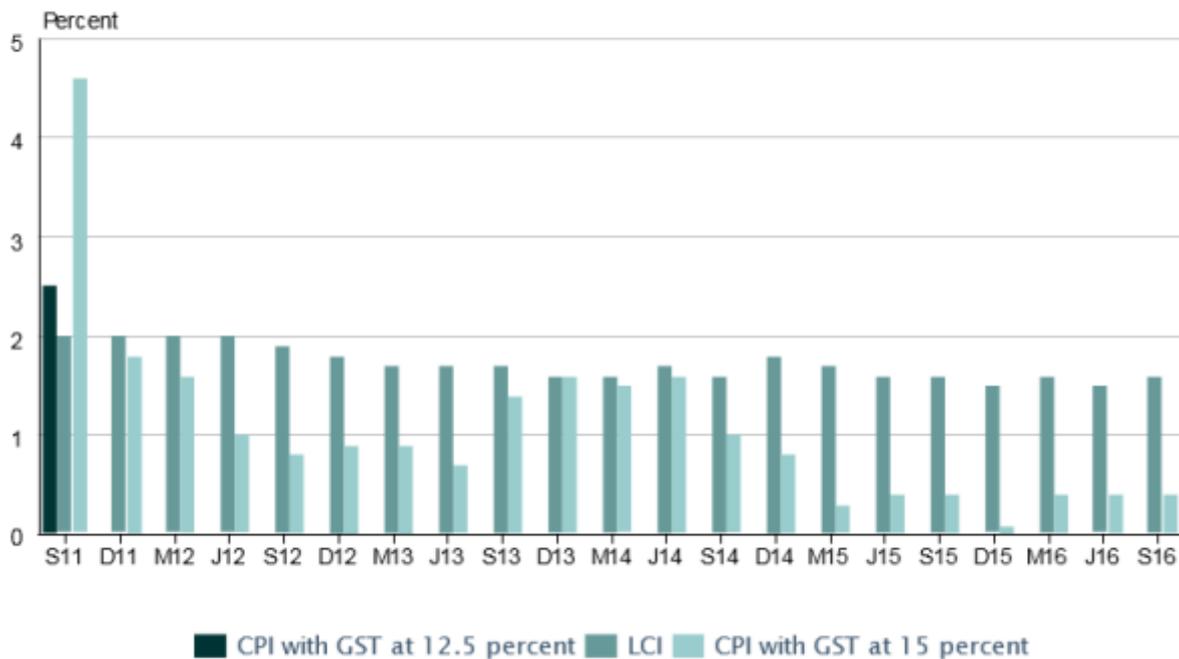
In the year to the September 2016 quarter, salary and wage rate growth (including overtime) in the construction industry was 2.1 percent. Increases for tradespeople (eg carpenters and plumbers) in this industry drove the increase, rather than administration and support staff.

The LCI (including overtime) for Canterbury construction increased 1.1 percent; for the rest of New Zealand wage growth in this industry was 2.3 percent. Annual wage growth in construction for the rest of New Zealand has now been higher than for Canterbury for seven consecutive quarters.

LCI and inflation

In the year to the September 2016 quarter, prices of goods and services bought by households, as measured by the corrected consumer price index (CPI), increased 0.4 percent. The LCI (including overtime) increased 1.6 percent over the same period.

Annual percentage change in CPI and LCI
September 2011 quarter to September 2016 quarter



Source: Statistics New Zealand

Spotlight on employment relations

The following sections provide a snapshot of some new information the redeveloped HLFS can provide about the current state of the labour market.

Employment relationships

In the September 2016 quarter, 90.0 percent of people who were paid employees in their main job were permanent employees. Males had a slightly higher rate (91.4 percent) than females (88.4).

There were 96,800 casual employees in the September 2016 quarter. Just over-one third of casual employees were aged 15 to 24 years, while nearly 1 in 10 were aged 65+.

Employment agreements

In the September 2016 quarter, 65.0 percent of employees were on an individual employment agreement and 19.5 percent on a collective employment agreement.

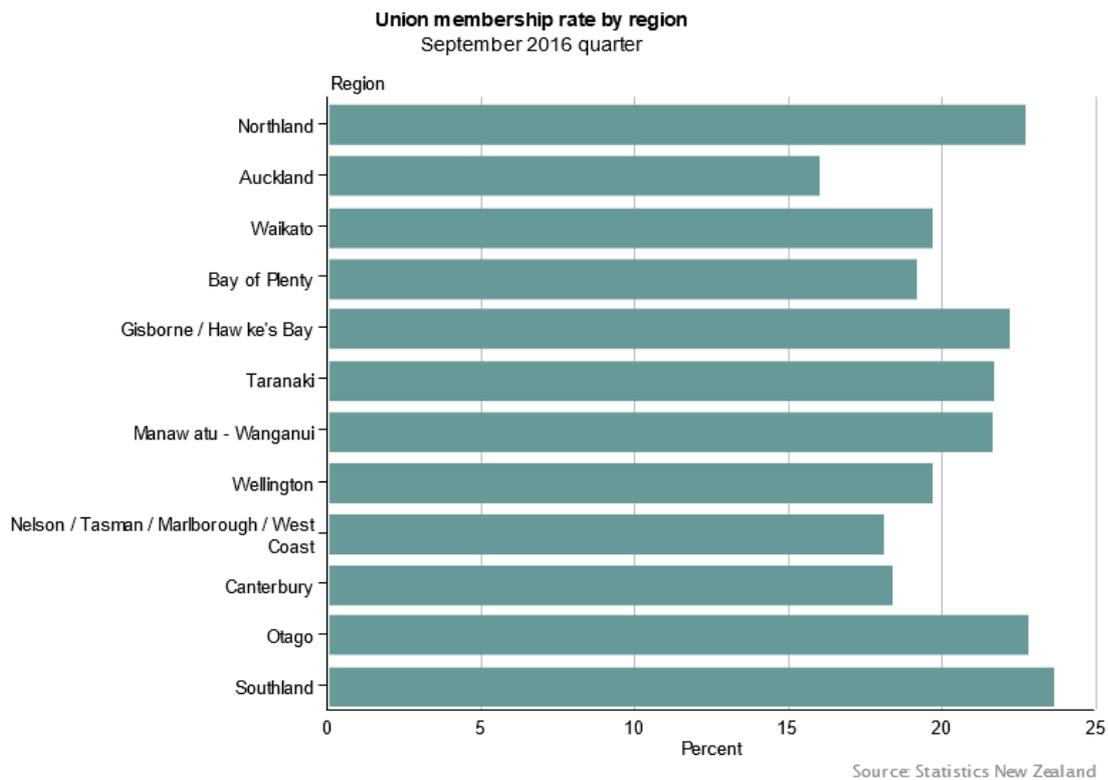
Over the same period, 158,600 people (7.9 percent of employees) had no written employment agreement. This was a significant fall from the 171,000 people (8.6 percent of employees) with no written agreement in the June 2016 quarter. (A written employment agreement is a legal requirement in New Zealand.)

Union membership

In the September 2016 quarter, the proportion of employees who were members of a union (membership rate) was 18.7 percent. This reflects 375,400 employees being represented by a union.

Women had a higher rate of union membership (22.0 percent); 15.5 percent of all male employees were union members.

Southland had the highest rate of union membership in the country (23.6 percent), while the lowest rate belonged to Auckland (16.0 percent). Three of the 12 regions – Auckland, Tasman/Nelson/Marlborough/West Coast, and Canterbury – had lower membership rates than the national average.



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

Related links

Next release

Labour Market Statistics: December 2016 quarter will be released on 1 February 2017.

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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 \(second edition\)](#) (published 2014) 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 will affect the survey from mid-2016 onwards.

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

Corrections

On 8 November 2016 we corrected the annual CPI figure from 0.2 percent to 0.4 percent, see [LCI and inflation](#).

This was a result of [Consumers Price Index: September 2016 quarter – corrected](#).

We apologise for any inconvenience caused.

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 2016 quarter unemployment rate was revised from 5.1 to 5.0 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 2015	0.06	0.08	0.25	0.33	-0.05	-0.14
Dec 2015	-0.03	0.00	0.00	0.07	0.04	0.12
Mar 2016	-0.01	0.01	-0.13	-0.03	0.08	-0.09
Jun 2016	-0.01	-0.12	-0.16	-0.38	-0.06	0.14

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 2015	-0.15	0.02	0.13	0.06	-0.04	0.00
Dec 2015	-0.09	0.05	0.06	0.10	0.04	-0.02
Mar 2016	-0.08	-0.00	-0.27	0.04	0.23	-0.03
Jun 2016	0.08	-0.28	-0.75	-1.77	-0.24	0.47

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	0.24
Male unemployed	0.46	0.74	1.74	1.8
Female unemployed	0.51	0.85	1.86	1.87
Male not in labour force	0.1	0.17	0.38	0.37
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.

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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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5. People employed, unemployed, and not in labour force, by ethnic group
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6. Average weekly paid hours for FTEs, actual, seasonally adjusted, and trend series
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- 9.1 Labour cost index, base expenditure weights by sector, cost, occupation, and skill level
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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

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

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

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

Next release

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