

State of the labour market scorecard - September 2018

GDP
▲1.0% quarterly change (Jun 18)

Labour utilisation (hours worked)

Labour productivity (output per hour worked)

Labour demand

Change since Jun 2018: Increased
Outlook for Dec 2018: Increase
Employment increased, with the employment rate increasing to 68.3 per cent, up 0.5 last quarter.

Employment gains, over the quarter (1.1 per cent, 29,000 people) and over the year (2.8 per cent), were mainly driven by women. The employment rate for women (63.6 per cent), was the highest on record and the closest - ever to the employment rate for men. Women also drove annual growth in full-time work.

Over the year, employment growth was strongest in the provincial regions of Gisborne/Hawkes Bay, Otago, and the top of the South Island regions. Pacific peoples, NZ European and Asian peoples had the largest annual growth in employment.

Annually, 6,000 more workers were employed in the IT industry.

Headline indicator:
Employment

2.66m (Sep 18)
▲1.1% on Jun 18



Year	2008	Sep 17	Jun 18	Sep 18	Annual	Qrtly
Value	2.18m	2.59m	2.63m	2.66m	▲2.8%	▲1.1%

Labour market matching

Change since Jun 2018: Improved
Outlook for Dec 2018: Improve
The unemployment rate fell to 3.9 per cent in the September 2018 quarter and the lowest since the June 2008 quarter when it was 3.8 per cent. There were 7,000 less people unemployed over the quarter, and a strong rise in employment. Annually, the unemployment rate dropped by 0.8 percentage points (pp).

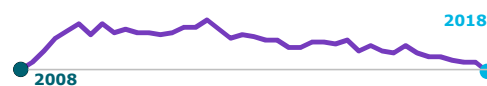
The unemployment rates for women fell from 4.6 per cent last quarter to 4.0 per cent this quarter. This is the lowest unemployment rate for women since the September 2008 quarter. The unemployment rate for men fell 0.2pp to 3.9 per cent.

The underutilisation rate fell to 11.3 per cent, down from 12.0 per cent last quarter. The fall reflects 13,000, and 1,300 more people being unemployed and underemployed over the quarter.

The NEET rate was down to 10.9 per cent this quarter, from 11.8 per cent in previous quarter.

Headline indicator:
Unemployment rate

3.9% (Sep 18)
▼0.5pp on Jun 18



Year	2008	Sep 17	Jun 18	Sep 18	Annual	Qrtly
Value	4.0%	4.7%	4.4%	3.9%	▼0.8pp	▼0.5pp

Labour supply

Change since Jun 2018: Increased
Outlook for Dec 2018: Steady
The labour force participation rate rose by 0.2pp to 71.1 per cent in the September 2018 quarter. This reflected more people in the labour force (up 0.6 per cent or 16,000 people).

The participation rate for women increased by 0.2pp to 66.2 per cent this quarter, while the rate for men remained unchanged at 76.1 per cent.

Net permanent and long-term (PLT) migration slowed to 65,000 people in the June 2018 year, from a record high of 72,400 in the July 2017 year.

New Zealand citizens still show a net loss of 5,800 compared to a year ago.

Headline indicator:
Labour force participation rate

71.1% (Sep 18)
▲0.2pp on Jun 18



Year	2008	Sep 17	Jun 18	Sep 18	Annual	Qrtly
Value	68.4%	71.1%	70.9%	71.1%	n/c	▲0.2pp

Labour quality

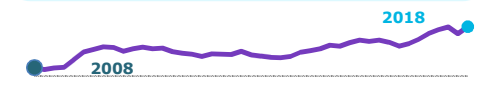
Change since Jun 2018: Steady
Outlook for Dec 2018: Improving
The proportion of people aged 25 to 34 years with NCEA level 4 or higher qualifications increased by 1.8pp to 59.3% in the year to September 2018.

27.6 per cent of the workforce had bachelor's degree or higher in the June 2018 quarter, up 1.5pp on the same quarter last year.

Note: Some contributing indicators are only available up to June 2018 and for 2017.

Headline indicator:
Qualification attainment rate

25 to 34 year olds with level 4+ quals
415,900 (59.3%) in the year to Sep 18
▲1.8pp on Sep 17



Year	2008	2017	2018	Annual
Value	53.0%	57.5%	59.3%	▲1.8pp

Workplace performance

Change since Mar 2018: Steady
Outlook for Sep 2018: Improving
The share of people working in skilled occupations increased by 0.6pp to 63.4% in the year to June 2018.

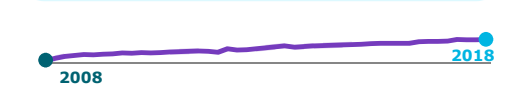
Annual pay increases in the private sector that were due to productivity related factors averaged 1.6% between June 2018 and September 2018.

Annually, average ordinary time hourly earnings, as measured by the Quarterly Employment Survey (QES), increased 2.9 per cent to reach \$31.34 an hour. Average total weekly earnings for full-time equivalent employees also increased by 3.3 per cent from a year ago to \$1,212.82.

Note: The headline indicator is only available up to June 2018 and some contributing indicators are only available up to 2017.

Headline indicator:
Skilled occupation rate

63.4% are in skilled work (Jun 18)
▲0.6pp on Jun 17



Year	2008	Jun 17	Mar 18	Jun 18	Annual	Qrtly
Value	58.8%	62.7%	63.3%	63.4%	▲0.6pp	▲0.1pp

Contributing indicators:

Employment by gender

	Part-time	Full-time	All
Male	▼2.9%	▲2.8%	▲2.1%
Female	▲2.2%	▲4.4%	▲3.7%
Total	▲0.7%	▲3.4%	▲2.9%

Employment by work period

	Part-time	Full-time	All
Quarterly	▲1.5%	▲0.7%	▲1.1%

Employment by industry

Biggest rises	Value
Information Media, Telecom	▲16.0%
Healthcare, Social Assist	▲10.7%
Arts, Rec, Other Services	▲6.9%

Biggest falls	Value
Ag, Forestry, Fishing	▼5.1%
Elect, Gas, Water, Waste	▼3.8%
Construction	▼1.3%

Consensus employment forecasts

Sep-18
2.0% p.a. employment growth to March 2019

Employment rate by ethnicity

	Rate	Annual
European	69.1%	▲0.5pp
Māori	63.3%	▼0.2pp
Pacific	61.1%	▲1.2pp
Asian	68.9%	▲0.5pp

Employment by region

	Sep 18 '000	Annual
Auckland	933.3	▲3.9%
Waikato	259.8	▲3.3%
Wellington	297.0	▲2.1%
Canterbury	338.7	▼0.7%
Otago	129.2	▲5.5%

Contributing indicators:

Unemployment by gender

	Rate	Quarterly	Annual
Male	3.9%	▼0.3pp	▼0.2pp
Female	4.0%	▼0.6pp	▼1.4pp

35.4% of unemployed deemed 'long-term' (i.e. unemployed more than 6 months)

Underutilisation rate by gender

	Rate	Quarterly	Annual
Male	9.1%	▼0.8pp	▼0.1pp
Female	13.7%	▼0.5pp	▼1.6pp

Youth not in employment, education, or training

	Rate	Quarterly	Annual
15 - 24 yr olds	10.1%	▼0.8pp	▼1.2pp
15 - 19 yr olds	7.6%	▲0.3pp	▲0.3pp
20 - 24 yr olds	12.3%	▼1.7pp	▼2.5pp

Advertised job vacancies

	Rate	Annual
All vacancies (Jobs Online)	Monthly to Sep 18	▲0.7%
Year to Sep 18	▲8.6%	
Vacancies/applicant (SEEK Employment Index)	Monthly to Jun 18	▼1.0%
Year to Jun 18	▼7.7%	

Difficulty finding skilled labour

Sep-18
Net 44% of firms found it harder to get skilled staff than three months ago (net 46% in Sep 17).

Unemployment rate by ethnicity

	Rate	Annual
European	3.0%	▼0.5pp
Māori	8.5%	▼1.4pp
Pacific	6.2%	▼3.2pp
Asian	3.9%	▼0.8pp

Unemployment by region

	Rate	Annual
Auckland	3.7%	▼0.9pp
Waikato	3.4%	▼0.3pp
Wellington	4.5%	▼0.1pp
Canterbury	3.5%	▼0.1pp
Otago	3.8%	▼0.1pp

Contributing indicators:

Participation by gender

	Rate	Quarterly	Annual
Male	76.1%	n/c	▼0.3pp
Female	66.2%	▲0.2pp	▲0.2pp

Migration

Sep 18
Net migration:
Net gain of 62,700 in year to Sep 18, compared with a 71,000 gain (Sep 17)

Net NZ citizen departures to Australia:
Net loss of 6,400 in year to Sep 18, compared with a 5,200 loss (Sep 17)

Immigration (Essential Skills workers):
Full year to Jun 18: 43,900
▲16.1% on year ended Jun 17

Retirement rates

2016 (2006 base)
Est. retirements as a % of labour force:

2018: 1.2% per year
2023: 1.3% per year
2028: 1.5% per year

Participation rate by ethnicity

	Rate	Annual
European	71.2%	▲0.1pp
Māori	69.1%	▼1.4pp
Pacific	65.2%	▼0.9pp
Asian	71.7%	n/c

Participation by region

	Rate	Annual
Auckland	71.1%	▲0.3pp
Waikato	73.3%	▲0.5pp
Wellington	73.7%	▼0.1pp
Canterbury	69.6%	▼1.5pp
Otago	71.0%	▲1.7pp

Contributing indicators:

Degree holders in the workforce

Sep 18
27.8% of the workforce (Sep-18)
▲1.8pp on Sep-17

School level qualifications

	Rate
% of 18 yr olds with a NCEA level 2 or higher	2017
New Zealand	84.9%
Male	82.7%
Female	87.2%
European	88.4%
Māori	75.6%
Pacific	78.7%
Asian	90.9%

% of school leavers with less than NCEA level 1

	Rate	Annual	Since 2009
New Zealand	10.4%	▼0.7pp	▼8.7pp
Male	11.5%	n/c	▼9.8pp
Female	9.3%	▲0.4pp	▼7.6pp
European	7.8%	▼0.2pp	▼6.6pp
Māori	19.1%	▲0.1pp	▼17.6pp
Pacific	13.7%	▲0.6pp	▼12.6pp
Asian	4.2%	▼0.3pp	▼6.5pp

25 to 34 year olds with level 4+ qualifications by region

	Rate	Annual
Auckland	66.3%	▲2.6pp
Waikato	54.3%	▲0.9pp
Wellington	67.8%	▲2.9pp
Canterbury	56.4%	▼0.1pp
Otago	57.2%	▲1.3pp

Contributing indicators:

Skilled occupation rate

	Rate	Annual
Auckland	64.6%	▲0.7pp
Waikato	62.7%	▲0.6pp
Wellington	67.3%	▲0.7pp
Canterbury	63.1%	▲0.7pp

Private sector productivity-related wage growth

Sep 18
▲1.6% on Sep 2018
based on labour quality-related wage increases in the private sector, collected in the Labour Cost Index.

Work-related injuries

Average 2014-16
Work-related fatal injury
2.1 per 100,000 workers in 2014-2016
▼6.1% on 2013-2015

Work-related serious non-fatal claims

14.3 per 100,000 workers in 2014-2016
▼4.8% on 2013-2015

Labour market efficiency

(Employer survey measure)
2017/18
NZ ranked 5th out of 137 countries
▲1 notch from 2016/17

Employment Confidence Index

(Employee survey measure)
Sep 18
▼2.9pp on Jun 2018
▲0.7pp on Sep 2017