Labour Market Statistics: December 2016 quarter

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💡 Labour Market Statistics Quarterly Concept set

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- Working proprietors - Working proprietors
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💡 Labour market statistics

The labour market statistics information release combines data from three surveys to present a broad picture of the labour market.

From the **Household Labour Force Survey (HLFS)** we provide a picture of New Zealand's labour force – these statistics relate to employment, unemployment, and people not in the labour force.

The **Quarterly Employment Survey (QES)** estimates the demand for labour by New Zealand businesses – the levels and changes in employment, total weekly gross earnings, total weekly paid hours, average hourly and average weekly earnings, and average weekly paid hours in the industries we survey.

The **Labour Cost Index (LCI)** measures changes in salary and wage rates for a fixed quantity and quality of labour input. It is a measure of wage inflation, reflecting changes in the rates that employers pay to have the same job done to the same standard.

Household Labour Force Survey sources and methods: 2016 provides a technical description of the sample design and other aspects of the HLFS.

💡 Business Register

The list of all economically significant enterprises in New Zealand, which is maintained by Statistics NZ.

💡 Disability

Disability status is determined by a set of questions (The Washington Group Short Set), that ask respondents about their ability to carry out six basic activities.

The activities are:

- seeing, even if wearing glasses
- hearing, even if using a hearing aid
- walking or climbing steps
- remembering or concentrating
- washing all over or dressing
- communicating

The response options are:

- No difficulty
- Some difficulty
- A lot of difficulty
- Can't do at all

People who respond 'a lot of difficulty' or 'can't do at all' to at least one of the activities are counted as disabled in the survey.

💡 Employed

People in the working-age population who, during the reference week, did one of the following:

• worked for one hour or more for pay or profit in the context of an employee/employer relationship or self-employment

•

worked without pay for one hour or more in work which contributed directly to the operation of a farm, business, or professional practice owned or operated by a relative

•

had a job but were not at work due to own illness or injury, personal or family responsibilities, bad weather or mechanical breakdown, direct involvement in an industrial dispute, or leave or holiday.

💡 Employment rate

The number of employed people expressed as a percentage of the working-age population. The employment rate is closely linked to the working-age population definition.

💡 Enterprise

A business or service entity operating in New Zealand.

💡 Extended labour force

People in the labour force, or in the potential labour force.

💡 Filled jobs

The total number of full-time jobs, part-time jobs, and working proprietors.

💡 Full-time equivalent (FTE) jobs

The total number of full-time jobs plus half the number of part-time jobs. Does not include working proprietors.

💡 Full-time jobs

Jobs where the employee works for 30 hours or more per week.

💡 Full-time/part-time status

Full-time workers usually work 30 hours or more per week, even if they did not do so in the survey reference week because of sickness, holidays, or other reasons. Part-time workers usually work fewer than 30 hours per week.

Hours worked

Actual hours are the number of hours a person worked in the reference week (including overtime). Usual hours refers to the number of hours a person normally works in a week (including overtime).

Index reference period

The benchmark with which prices in other periods are compared (eg if the index number in a later period is 1150, prices have increased by 15.0 percent since the index reference period). Prices for later periods can also be compared in the same fashion. The LCI has an index reference period of the June 2009 quarter (=1000).

Industry

Determined from the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006. Businesses in QES are classified using ANZSIC06 industries. See ANZSIC 2006 – industry classification for more information about ANZSIC06 and its implementation into the QES and other Statistics NZ collections.

Labour force

Members of the working-age population, who during the survey reference week, were classified as 'employed' or 'unemployed'.

Labour force participation rate

The total labour force expressed as a percentage of the working-age population. Labour force participation is closely linked to how the working-age population is defined.

NEET (not in employment, education, or training)

Young people aged 15–24 years who are unemployed (part of the labour force) and not engaged in education or training, and those not in the labour force and not engaged in education or training for many reasons.

NEET rate

The total number of youth (aged 15–24 years) who are not in education, employment, or training (NEET), as a proportion of the total youth working-age population.

Not in the labour force

Any person in the working-age population who is neither employed nor unemployed. For example, this residual category includes people who

• are retired

•

have personal or family responsibilities such as unpaid housework and childcare

•

attend educational institutions

•

are permanently unable to work due to physical or mental disabilities

•

were temporarily unavailable for work in the survey reference week

•

are not actively seeking work.

💡 Part-time jobs

Jobs where the employee works less than 30 hours per week.

💡 Potential labour force

People who are not actively seeking but are available and wanting a job and people who are actively seeking but not currently available, but will be available to work in the next four weeks.

💡 Price index

Measures the change in price between time periods for a given set of goods and services. It summarises a set of prices for a variety of goods and services collected from a number of outlets.

💡 Seasonally adjusted series

Removes the seasonal component present when dealing with quarterly data. Seasonal patterns obscure the underlying behaviour of the series.

💡 Statistically significant

Statistical assessment of whether a change in the series is systematic or simply due to chance. Systematic movements occur when the change is greater than its respective sampling error.

💡 Trend series

Removes both the seasonal and irregular component of the series and reveals the underlying direction of movement in a series.

💡 Underemployment

People who are in part-time employment who would like to, and are available to, work more hours.

💡 Underemployment rate

The number of underemployed people expressed as a percentage of the employed population.

💡 Underutilised

The sum of those unemployed, underemployed and in the potential labour force.

💡 Underutilisation rate

The number of underutilised people expressed as a proportion of those in the extended labour force.

💡 Unemployed

All people in the working-age population who, during the reference week, were without a paid job, available for work, and had either actively sought work in the past four weeks ending with the reference week, or had a new job to start within the next four weeks.

💡 Unemployment rate

The number of unemployed people expressed as a percentage of the labour force.

💡 Union Membership

Whether an employee belongs to a union in their main job.

💡 Working proprietors

Includes sole proprietors, partners, or shareholders in a limited liability company who actively engage in the business or its management. Please note that working proprietors in businesses with no employees are outside the scope of the QES and are not included in the estimate of filled jobs.

💡 Working-age population

The usually resident, non-institutionalised population of New Zealand aged 15 years and over.

{💡} Household Labour Force Survey Concepts

- Disability - Disability
- Employed - Employed
- Employment type - Employment type
- Employment rate - Employment rate
- Employment relationship - Employment relationship

- Extended labour force - Extended labour force
- Formal study statistics - Formal study statistics
- Full-time/part-time status - Full-time/part-time status
- Hours worked - Hours worked
- Industry - Industry
- Labour force - Labour force
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- Union membership - Union membership
- Working-age population - Working-age population

💡 Disability

Disability status is determined by a set of questions (The Washington Group Short Set), that ask respondents about their ability to carry out six basic activities.

The activities are:

- seeing, even if wearing glasses
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The response options are:

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- Can't do at all

People who respond 'a lot of difficulty' or 'can't do at all' to at least one of the activities are counted as disabled in the survey.

💡 Employed

People in the working-age population who, during the reference week, did one of the following:

• worked for one hour or more for pay or profit in the context of an employee/employer relationship or self-employment

•

worked without pay for one hour or more in work which contributed directly to the operation of a farm, business, or professional practice owned or operated by a relative

•

had a job but were not at work due to own illness or injury, personal or family responsibilities, bad weather or mechanical breakdown, direct involvement in an industrial dispute, or leave or holiday.

💡 Employment type

We measure four different employment types in the HLFS: employee, employer, self-employment, and unpaid family worker. The HLFS defines a person as self-employed if they work for themselves and do not have any employees.

💡 Employment rate

The number of employed people expressed as a percentage of the working-age population. The employment rate is closely linked to the working-age population definition.

💡 Employment relationship

Distinguishes between different types of employees, according to whether they have a permanent or temporary work arrangement and what type of temporary work arrangement.

💡 Extended labour force

People in the labour force, or in the potential labour force.

💡 Formal study statistics

To be participating in formal study, a person must be working towards a qualification that takes three or more months of full-time study to complete. Full-time study is defined as 20 or more hours per week.

💡 Full-time/part-time status

Full-time workers usually work 30 hours or more per week, even if they did not do so in the survey reference week because of sickness, holidays, or other reasons. Part-time workers usually work fewer than 30 hours per week.

💡 Hours worked

Actual hours are the number of hours a person worked in the reference week (including overtime). Usual hours refers to the number of hours a person normally works in a week (including overtime).

💡 Industry

Determined from the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006. Businesses in QES are classified using ANZSIC06 industries. See ANZSIC 2006 – industry classification for more information about ANZSIC06 and its implementation into the QES and other Statistics NZ collections.

💡 Labour force

Members of the working-age population, who during the survey reference week, were classified as 'employed' or 'unemployed'.

💡 Labour force participation rate

The total labour force expressed as a percentage of the working-age population. Labour force participation is closely linked to how the working-age population is defined.

💡 NEET (not in employment, education, or training)

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💡 NEET rate

The total number of youth (aged 15–24 years) who are not in education, employment, or training (NEET), as a proportion of the total youth working-age population.

💡 Not in the labour force

Any person in the working-age population who is neither employed nor unemployed. For example, this residual category includes people who

• are retired

•

have personal or family responsibilities such as unpaid housework and childcare

•

attend educational institutions

•

are permanently unable to work due to physical or mental disabilities

•

were temporarily unavailable for work in the survey reference week

•

are not actively seeking work.

Part-time jobs

Jobs where the employee works less than 30 hours per week.

Potential labour force

People who are not actively seeking but are available and wanting a job and people who are actively seeking but not currently available, but will be available to work in the next four weeks.

Seasonally adjusted series

Removes the seasonal component present when dealing with quarterly data. Seasonal patterns obscure the underlying behaviour of the series.

Statistically significant

Statistical assessment of whether a change in the series is systematic or simply due to chance. Systematic movements occur when the change is greater than its respective sampling error.

Trend series

Removes both the seasonal and irregular component of the series and reveals the underlying direction of movement in a series.

Underemployment

People who are in part-time employment who would like to, and are available to, work more hours.

Underemployment rate

The number of underemployed people expressed as a percentage of the employed population.

Underutilised

The sum of those unemployed, underemployed and in the potential labour force.

Underutilisation rate

The number of underutilised people expressed as a proportion of those in the extended labour force.

💡 Unemployed

All people in the working-age population who, during the reference week, were without a paid job, available for work, and had either actively sought work in the past four weeks ending with the reference week, or had a new job to start within the next four weeks.

💡 Unemployment rate

The number of unemployed people expressed as a percentage of the labour force.

💡 Union membership

Whether an employee belongs to a union in their main job.

💡 Working-age population

The usually resident, non-institutionalised population of New Zealand aged 15 years and over.

{♥} Labour cost index

- Distribution of increases in surveyed pay rates - Distribution of increases in surveyed pay rates
- Average increase - Average increase
- Median increase - Median increase

💡 Distribution of increases in surveyed pay rates

Surveyed salary and ordinary time wage rates (and overtime wage rates) are compared with those of the previous quarter and the same quarter of the previous year, and grouped according to whether they decreased, showed no change, or increased. In the case of ordinary time rates, the increases are divided into the following ranges: increases of up to 2 percent, more than 2 but not more than 3 percent, more than 3 but not more than 5 percent, and more than 5 percent

💡 Average increase

The unweighted arithmetic mean increase of those surveyed salary and ordinary time wage rates that rose from the previous quarter and from the same quarter of the previous year.

💡 Median increase

The unweighted median (i.e. middle) increase of those surveyed salary and ordinary time wage rates that rose from the previous quarter and from the same quarter of the previous year.

{♥} QES Concepts

- Business Register - Business Register

- Earnings - Earnings
- Employment - Employment
- Enterprise - Enterprise
- Full-time equivalent (FTE) jobs - Full-time equivalent (FTE) jobs
- Full-time jobs - Full-time jobs
- Hours Paid - Hours Paid
- Industry - Industry
- Part-time jobs - Part-time jobs
- Working proprietors - Working proprietors
- Filled jobs - Filled jobs

💡 Business Register

The list of all economically significant enterprises in New Zealand, which is maintained by Statistics NZ.

💡 Earnings

Earnings estimates are based on payroll data received from economically significant businesses. Businesses provide the total amount of wages/salaries paid to employees by gender and from here earnings figures such as average hourly earnings, and average weekly earnings are derived. Gross earnings can include shift, penal and other allowances, ACC earners premiums, bonuses, paid leave and commissions earned in the pay period. However, it excludes payments not earned in the pay period (e.g. back pay, redundancy or severance pay) and non-taxable payment (e.g. tool money).

💡 Employment

Employment estimates are based on filled jobs in economically significant businesses. If a person has a paid job in the reference week they are considered employed. This includes employees even if they are absent from work (e.g. due to sickness, being on leave, on strike or temporary lay-off, etc.) whether paid or not. This also includes all managerial or executive staff (e.g. Chief Executive).

💡 Enterprise

A business or service entity operating in New Zealand.

💡 Full-time equivalent (FTE) jobs

The total number of full-time jobs plus half the number of part-time jobs. Does not include working proprietors.

💡 Full-time jobs

Jobs where the employee works for 30 hours or more per week.

💡 Hours Paid

Hours paid is represented by any ordinary time and overtime hours for which an employee has been paid. The concept of hours paid includes paid travelling time, hours represented by holiday pay, sick pay, etc. It is not restricted to just hours that have been worked.

💡 Industry

Determined from the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006. Businesses in QES are classified using ANZSIC06 industries.

💡 Part-time jobs

Jobs where the employee works for less than 30 hours per week.

💡 Working proprietors

Includes sole proprietors, partners, or shareholders in a limited liability company who actively engage in the business or its management. Please note that working proprietors in businesses with no employees are outside the scope of the QES and are not included in the estimate of filled jobs.

💡 Filled jobs

The total number of full-time jobs and part-time jobs.

Universes

🔘 Labour Market Statistics Universe set

• Labour Market Statistics Universe

🌐 Labour Market Statistics Universe

HLFS/Income

The target population for the HLFS/Income is the usually resident, non-institutionalised population aged 15 years and over. The statistics in this release do not cover:

• people who have been living in New Zealand for less than 12 months, and who do not propose to stay in New Zealand for a total of 12 months or more
• long-term residents of homes for older people, hospitals, and psychiatric institutions (long-term is defined as six weeks or more)
• people in prison

QES

The QES samples economically significant enterprises in surveyed industries. An economically significant enterprise is one that meets at least one of the following criteria:

• has greater than $30,000 annual GST expenses or sales
• has at least three employees for its rolling mean employment (the average employee count over the previous 12 months)
• recorded over $40,000 of income in the IR10 annual tax return
• is part of a group of enterprises
• is a new GST registration that is compulsory, special, or forced
• is registered for GST.
The QES does not include data from the agriculture, fisheries, and several smaller industries.

LCI

Jobs filled by paid employees in all occupations and in all industries except private households employing staff. We extended coverage to include jobs filled by paid employees aged under 15 years when the index was reweighted and re-expressed on a base of the June 2001 quarter (=1000).

Conceptual Variables

Labour Market Statistics

• Employment and unemployment - Employment and unemployment

Employment and unemployment

Labour Market Statistics: December 2016 quarter

Title

Labour Market Statistics: December 2016 quarter

Data Collections

Labour Market Statistics: December 2016 quarter

#####**Period-specific information**

######Response Rates

See New quality measures for the Household Labour Force Survey for more information on the sample rate and response rates.

######14 November Earthquake impact on LCI Response Rates

We received 95 percent of the questionnaires sent for the December 2016 quarter labour cost index survey. About 5 percent of these were in the Statistics House building at the time of the earthquake, and the data had not been entered. These have not been recovered. Where we have been unable to access this information we carried forward the previous data reported. This could have a slight dampening effect on the index movements in the December 2016 quarter, but these movements will be shown in the March 2017 quarter.

######14 November Earthquake impact on HLFS

The earthquake on the 14th November disrupted data collection of the December 2016 quarter for the Household Labour Force Survey (HLFS). Computer Assisted Telephone Interviewing (CATI) was not operational between the 14th and 23rd November due to contact centre systems being down. Whilst Computer Assisted Personal Interviewing (CAPI i.e. field collections) for Wellington and parts of Nelson/Tasman/Marlborough/West Coast and Canterbury were suspended over the week starting on the 13th November, which was to manage interviewer safety in regions most impacted by the quake. In the weeks following, field collection in Wellington and across the South Island was resumed. Whereas dwellings in Kaikoura and Seddon were not interviewed for the remainder of the December quarter in order to manage respondent burden.

The challenges in data collection for the December 2016 quarter did impact the survey's ability to meet its design specifications. The disruption in collection led to respondents being interviewed about a reference week that was not their assigned reference week; individuals are interviewed about the week preceding their interview. As a result of the earthquake, the cases for the December 2016 quarter were not evenly spread across the 13 reference weeks. It is worth noting that collection loads typically vary across weeks for most quarters. However, this was exacerbated for the December quarter due to the quake. There was a relatively small number of respondents interviewed about the reference week starting on the 6th November due to an inability to complete CATI cases in the week starting on the 13th. Whilst there were a relatively large portion of the sample interviewed about the reference weeks starting on the 13th, 20th and 27th November as CATI resumed and attempts were made to reach the target achieved sample rate. This is a limiting factor on the relevance of the survey; in that it impedes the product's ability to provide a uniform representation across all 13 weeks of the December quarter.

Furthermore, the achieved sample size for the HLFS this quarter was 14713 households, which was below the 15000 target. However, the table HLFS Achieved Sample Rates below, shows that this was comparable to previous quarters. A reduced sample size results in an increase in the variance of estimates. There was no evidence of any bias induced into the survey as a result of the reduced sample size. Comparisons of the matched (i.e. individuals that responded in both the previous quarter and current quarter) and unmatched (i.e. individuals that responded in the previous quarter but not in the current quarter) samples did not suggest that respondents differed to non-respondents with regards to labour market composition. Furthermore, the demographic characteristics of the unmatched sample this quarter were comparable to previous unmatched samples, which suggest that the nature of those not captured in the survey did not change as a result of the disruption to collections this quarter. These findings suggest that the estimates and degree of accuracy from the December 2016 HLFS are comparable with previous quarters.

| HLFS Achieved Sample Rates | | | |

*The December 2015 quarter achieved sample rates capture the HLFS questionnaire pre-redevelopment which included a self-complete response option for respondents.
**The September 2016 and December 2016 quarters rates capture the HLFS questionnaire post-redevelopment.

HLFS
####### Estimates of employment by industry improved

In the June 2016 and September 2016 quarter there were a higher than usual number of employed people classified to the 'not specified' industry group. A large proportion of this not specified group are self-employed people from whom we did not collect the information required to assign an industry.

The new HLFS was designed to be better at identifying an individual's employment status. This included better identification of self-employed people versus paid employees. However, there are scenarios where those who identify themselves as self-employed later in the questionnaire are not then asked to provide their main

activity (which is used to determine the industry worked in). There were no means of assigning an industry classification to these respondents in the June and September 2016 quarters, but additional changes have been made to our survey to resolve this issue in the December 2016 quarter, and going forward.

######Outliers

During the seasonal adjustment process, X-13-ARIMA-SEATS can give less weight to the irregular component. Specifically, if the estimated irregular component at a point in time is sufficiently large compared with the standard deviation of the irregular component as a whole, then the irregular component at that point can be downweighted or removed completely and re-estimated. We refer to such observations as partial- and zero-outliers, respectively. In practice, the downweighting of outliers does little to seasonally adjusted data, but the impact of the outliers on the trend series will generally be reduced. However, if an outlier ceases to be an outlier as more data becomes available, then significant revisions to the trend series become possible.

The table below shows any partial (P) and zero (Z) outliers for the last year of each time series

######HLFS pre- and post-calibration weight

The following figure shows that while the distribution of the pre- and post-calibration weights differs within a quarter, the difference between the weights typically does not change from quarter to quarter.
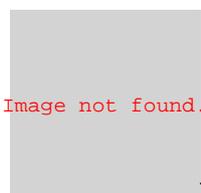
Image not found.

The undercoverage rate indicates how representative the pre-calibrated sample is. The higher the undercoverage rate, the less representative the pre-calibrated sample.

Usually the undercoverage rate in the HLFS is around 20 percent. The overall undercoverage rate for the HLFS in the December 2016 quarter was 17.6 percent. This compares with 17.0 percent in the September 2016 quarter and 19.8 percent in the December 2015 quarter.

######General information and methodology

For general information and methodology on the specific surveys within the labour market statistics release, please see the following Datainfo+ pages:

• Household Labour Force Survey
• Labour Cost Index
• Quarterly Employment Survey