

Image not found.

## Labour Market Statistics: June 2020 quarter

# Table of Contents

<a href="#">Labour Market Statistics: June 2020 quarter</a>	5
<a href="#">Labour Market Statistics Metadata Package</a>	5
<a href="#">Concepts</a>	5
<a href="#">Labour Market Statistics Quarterly Concept set</a>	5
<a href="#">Labour market statistics</a>	6
<a href="#">Business Register</a>	6
<a href="#">Disability</a>	6
<a href="#">Employed</a>	6
<a href="#">Employment rate</a>	7
<a href="#">Enterprise</a>	7
<a href="#">Extended labour force</a>	7
<a href="#">Filled jobs</a>	7
<a href="#">Full-time equivalent (FTE) jobs</a>	7
<a href="#">Full-time jobs</a>	7
<a href="#">Full-time/part-time status</a>	7
<a href="#">Hours worked</a>	8
<a href="#">Index reference period</a>	8
<a href="#">Industry</a>	8
<a href="#">Labour force</a>	8
<a href="#">Labour force participation rate</a>	8
<a href="#">NEET (not in employment, education, or training)</a>	8
<a href="#">NEET rate</a>	8
<a href="#">Not in the labour force</a>	8
<a href="#">Part-time jobs</a>	9
<a href="#">Potential labour force</a>	9
<a href="#">Price index</a>	9
<a href="#">Seasonally adjusted series</a>	9
<a href="#">Statistically significant</a>	9
<a href="#">Trend series</a>	9
<a href="#">Underemployment</a>	9
<a href="#">Underemployment rate</a>	10
<a href="#">Underutilised</a>	10
<a href="#">Underutilisation rate</a>	10
<a href="#">Unemployed</a>	10
<a href="#">Unemployment rate</a>	10
<a href="#">Union Membership</a>	10
<a href="#">Working proprietors</a>	10

Working-age population.....	10
Household Labour Force Survey Concepts.....	10
Disability.....	11
Employed.....	11
Employment type.....	12
Employment rate.....	12
Employment relationship.....	12
Extended labour force.....	12
Formal study statistics.....	12
Full-time/part-time status.....	12
Hours worked.....	12
Industry.....	13
Labour force.....	13
Labour force participation rate.....	13
NEET (not in employment, education, or training).....	13
NEET rate.....	13
Not in the labour force.....	13
Part-time jobs.....	14
Potential labour force.....	14
Seasonally adjusted series.....	14
Statistically significant.....	14
Trend series.....	14
Underemployment.....	14
Underemployment rate.....	14
Underutilised.....	14
Underutilisation rate.....	14
Unemployed.....	15
Unemployment rate.....	15
Union membership.....	15
Working-age population.....	15
Labour cost index.....	15
Distribution of increases in surveyed pay rates.....	15
Average increase.....	15
Median increase.....	15
QES Concepts.....	15
Business Register.....	16
Earnings.....	16
Employment.....	16
Enterprise.....	16
Full-time equivalent (FTE) jobs.....	16

<a href="#">Full-time jobs</a> .....	16
<a href="#">Hours Paid</a> .....	17
<a href="#">Industry</a> .....	17
<a href="#">Part-time jobs</a> .....	17
<a href="#">Working proprietors</a> .....	17
<a href="#">Filled jobs</a> .....	17
<a href="#">Universes</a> .....	17
<a href="#">Labour Market Statistics Universe set</a> .....	17
<a href="#">Labour Market Statistics Universe</a> .....	17
<a href="#">Conceptual Variables</a> .....	18
<a href="#">Labour Market Statistics</a> .....	18
<a href="#">Employment and unemployment</a> .....	18
<a href="#">Labour Market Statistics: June 2020 quarter</a> .....	18
<a href="#">Data Collections</a> .....	18
<a href="#">Labour Market Statistics: June 2020 quarter</a> .....	18

## Labour Market Statistics: June 2020 quarter

### Title

Labour Market Statistics: June 2020 quarter

## Labour Market Statistics Metadata Package

### Title

Labour Market Statistics Metadata Package

## Concepts

### Labour Market Statistics Quarterly Concept set

- [Labour market statistics - Labour market statistics](#)
- [Business Register - Business Register](#)
- [Disability - Disability](#)
- [Employed - Employed](#)
- [Employment rate - Employment rate](#)
- [Enterprise - Enterprise](#)
- [Extended labour force - Extended labour force](#)
- [Filled jobs - Filled jobs](#)
- [Full-time equivalent \(FTE\) jobs - Full-time equivalent \(FTE\) jobs](#)
- [Full-time jobs - Full-time jobs](#)
- [Full-time/part-time status - Full-time/part-time status](#)
- [Hours worked - Hours worked](#)
- [Index reference period - Index reference period](#)
- [Industry - Industry](#)
- [Labour force - Labour force](#)
- [Labour force participation rate - Labour force participation rate](#)
- [NEET \(not in employment, education, or training\) - NEET \(not in employment, education, or training\)](#)
- [NEET rate - NEET rate](#)
- [Not in the labour force - Not in the labour force](#)
- [Part-time jobs - Part-time jobs](#)
- [Potential labour force - Potential labour force](#)
- [Price index - Price index](#)
- [Seasonally adjusted series - Seasonally adjusted series](#)
- [Statistically significant - Statistically significant](#)
- [Trend series - Trend series](#)
- [Underemployment - Underemployment](#)
- [Underemployment rate - Underemployment rate](#)
- [Underutilised - Underutilised](#)
- [Underutilisation rate - Underutilisation rate](#)
- [Unemployed - Unemployed](#)
- [Unemployment rate - Unemployment rate](#)
- [Union Membership - Union Membership](#)

- [Working proprietors - Working proprietors](#)
- [Working-age population - Working-age population](#)



## 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](#)
- [Labour force participation rate - Labour force participation rate](#)
- [NEET \(not in employment, education, or training\) - NEET \(not in employment, education, or training\)](#)
- [NEET rate - NEET rate](#)
- [Not in the labour force - Not in the labour force](#)
- [Part-time jobs - Part-time jobs](#)
- [Potential labour force - Potential labour force](#)
- [Seasonally adjusted series - Seasonally adjusted series](#)
- [Statistically significant - Statistically significant](#)
- [Trend series - Trend series](#)
- [Underemployment - Underemployment](#)
- [Underemployment rate - Underemployment rate](#)
- [Underutilised - Underutilised](#)
- [Underutilisation rate - Underutilisation rate](#)
- [Unemployed - Unemployed](#)
- [Unemployment rate - Unemployment rate](#)
- [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
- 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 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)

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.

 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: June 2020 quarter

### Title

Labour Market Statistics: June 2020 quarter

## Data Collections

Labour Market Statistics: June 2020 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.

#### #####HLFS

#### #####Impact of Covid-19 on collection period and response rates

Interviewing for the June-2020 quarter of the HLFS began on April 14 2020 while New Zealand was in alert level 4. Because of this, no face-to-face interviewing was allowed. First-time respondents in the HLFS are typically visited by a field interviewer, but this quarter they were instead sent a letter asking them to call the Stats NZ contact centre to complete their interview over the phone. This was the first time Stats NZ has used letters prompting respondents to call, so the effectiveness was unknown but it was anticipated letters would not be as successful as a visit from an interviewer.

In addition to field interviewers visiting first-time respondents, they also visit households that have been in the HLFS previously but the contact centre has been unable to reach in the current quarter. There were concerns that the response rate and achieved sample rate would suffer this quarter because field interviewers were unable to make house visits.

Interview times for the HLFS were significantly longer this quarter. The income supplement and disability supplement were included, as they are every June quarter, and there was also a well-being supplement and extra questions (surrounding working from home and job security) added to the HLFS. Longer interview times have negative effects on response rates.

The decision was made to re-contact respondents who should have otherwise had their final HLFS interview in the March-2020 quarter, as an effort to improve the response rate and the achieved sample rate.

Field interviewers were able to resume house visits for the last two weeks of collection, beginning on Monday 22 June. The final day for interviewing was Sunday 5 July.

#### #####Response rate

With the inclusion of respondents doing a ninth HLFS interview, the overall achieved sample rate was 69.8 percent. This is below the target of 76 percent, and is the lowest ASR since the September-2012 quarter. However, the ASR of 69.8 percent is not much lower than achieved sample rates seen in previous recent June quarters (70.3 percent and 70.9 percent in June-2017 and June-2018, respectively), and only slightly lower than last quarter's 70.7 percent.

#### #####Additive outlier treatment

X13 is the tool used by Stats NZ to perform seasonal adjustment. If a value is sufficiently extreme due to a short-term break in the raw data, X13 may not fully account for the outlier.

Tests and analysis significantly indicate that the series listed below were impacted by the unusual events experienced this quarter related to Covid-19 and the lockdown:

- Male, female and total employed
- Male, female and total unemployed
- Male, female and total not in the labour force (NILF)
- Employed, aged 15-64 years
- Unemployed, aged 15-64 years
- Not in the labour force, aged 15-64 years
- Total actual hours worked

The June-2020 quarter has been treated as an additive outlier for these series. The outlier treatment effectively removes the June quarter from seasonal factor calculations and prevents the June quarter from causing undesirable revisions to current and historical seasonal factors.

Trend values for the June-2020 quarter are not being published, as the calculated trend value is not accurate this quarter. Trend series are slow to react to change, and will behave as if there were no Covid-19 or lockdown for some time. Reporting trend estimates will likely underestimate the effect of the pandemic.

#### #####QES

#### #####Response rates

Low response rates were anticipated in the QES for the June 2020 quarter, due to the impacts of Covid-19 and lock down.

There was the potential for heavy business churn, respondent unwillingness to cooperate in times of economic stress, and the concern that hardest hit businesses would be least likely to respond, thus biasing the responses

we did receive. In addition, the QES is primarily paper based, which could have been particularly vulnerable to level 4 lockdown restrictions on the post for non-essential businesses.

We were able to mitigate this by:

- providing an electronic form to all businesses with valid email addresses on record in addition to the regular paper form;
- introducing courtesy pre-reminder calls;
- targeting responses by broad industry and sector group.

Additionally, the swift end to lockdown and resumption of normal business gave respondents time to return to the office before responses were required on July 10th, 2020.

As a result, the final response rate was 83.8 percent, only 4.6 percentage points below the same quarter in 2019. Upon further assessment, we concluded that this was acceptable and no changes to our standard imputation were required.

#### #####Response quality

Another early concern in the QES was that the responses received would be poor quality, or full of partial completes.

This was mitigated by the inclusion of additional information on the cover letter and FAQs for respondents, and guidance and extra support provided for processors and call centre staff.

This advice was as follows:

#### “How do I record changes due to Covid-19?”

If your business is receiving a **wage subsidy**, please report the amount paid **including** the wage subsidy when completing the survey.

If you are still **paying employees who are unable to work**, please record hours paid at their contracted hourly rate.

If you are **paying reduced wages**, but you have not negotiated a reduced hourly rate, an employee’s hours paid should be reduced. An employee who usually earns \$500 per week for 40 hours work but is now earning \$400 per week would have reduced hours paid of 32. If you have agreed a reduced hourly rate please record hours paid as you normally would.

Please use the comments box to report changes due to Covid-19 as you would to report other changes. These changes may include:

- **Voluntary pay decreases.** Please provide details if any staff have volunteered to take decreased pay or reduced hours.

- 

**Temporary or permanent redundancies.** Please record how many positions have been affected and for how long.

- 

**Your business being temporarily or permanently closed.** Please provide details on how long your business has been closed and if you intend to reopen.”

While there have been some quarter specific response challenges, the majority of respondents seem to have understood the guidance given, and provided appropriate data.

We are confident that our final estimates are of good quality and accurately reflect the state of New Zealand’s labour market in the June 2020 quarter.

#### #####Interquarterly changes in sample errors

There were a large number of extreme changes in absolute sample errors over the quarter. This is an understandable reflection of extreme real-world quarterly changes but might have negative impacts on interquarterly comparisons.

As a result, we recommend – as ever – focussing on annual changes in unadjusted estimates.

#### #####Seasonal adjustment and trend series

Covid-19 caused many abrupt changes to QES time series. This was a challenge for the creation of seasonally adjusted and trend series and caused us to consider the possibility of explicitly marking this quarter as an outlier.

After further analysis, however, we could not conclude that this would be more appropriate than our standard automatic outlier process, and so decided not to manually adjust either series.

This decision will continue to be reviewed in subsequent quarters.

#### #####LCI

#### #####Response rates

The target response rate for the labour cost index is 94 percent (100 percent for key firms, 94 percent for non-key firms). The labour cost survey is primarily a postal, paper-based survey.

Surveys for the June 2020 were sent out with reference date of May 15th 2020.

The end of lockdown and move to alert level 2 meant that respondent businesses were able to report their employees' pay at the reference date.

As a result, response rate was 95.2% (above the target response rate of 94%).

#### #####Response quality

In March 2020 the Government announced the twelve-week Covid-19 Wage Subsidy Scheme, to support businesses affected by Covid-19 restrictions. We anticipated that businesses that received the subsidy may find it confusing to report employees' wages for the LCI.

To mitigate this, we:

- included additional information along with the LCI survey to guide and support;
- increased telephone calls with respondents to follow-up on and confirm wage changes, as well as the reasons behind them.

For electronic survey respondents and the FAQ sheet attached to postal surveys, we provided the guidance below:

#### **How do I record changes in labour costs due to Covid-19?**

If your business is receiving a wage subsidy, please report the amount paid to each employee including the wage subsidy when completing the survey. Please use the Reasons for change comments box (Column E) to report changes due to Covid-19 as you would to report other changes in labour costs. These changes may include:

- **Receiving a wage subsidy.** Please record details of which positions are receiving a subsidy and the amount paid to each position excluding the subsidy. Use the main survey to record the amount paid to each employee including the subsidy.
- **Temporary or permanent redundancies.** Please record details of which positions have been affected and for how long.
- **Your business being temporarily or permanently closed.** Please provide details on how long your business has been closed and if you intend to reopen.