State of the labour market scorecard - December 2018

Legend
- Weakness
- Strength

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HIKINA WHAKATUTUKI

GDP
▲0.3% quarterly change (Sep 18)

Labour utilisation (hours worked)

Labour demand

Change since Sept 2018: Steady
Outlook for Mar 2019: Steady
Employment level increased only slightly, with the employment rate decreasing to 67.8 per cent, down 0.4pp from the last quarter.

Employment gains, over the quarter (0.1 per cent) and over the year (2.3 per cent), were lower than in the previous quarter. The employment rate for women (63.0 per cent), was still one of the highest on record and for men (72.9 per cent) was steady.

Over the year, employment growth was strongest in some provincial regions (Otago and Waikato) and in the largest urban centre (Auckland). Pacific peoples and Asian peoples had the largest annual growth in employment.

Headline indicator:
Employment
2.66m (Dec 18)
▲0.1% on Sep 18

Dec 08	Dec 17	Sep 18	Dec 18	Annual	Qrtly
2.20m	2.60m	2.66m	2.66m	▲2.3%	▲0.1%

Contributing indicators:

Employment by gender
Dec 18 (ann. change since Dec 17)

	Part-time	Full-time	All
Male	▼3.1%	▲1.3%	▲0.8%
Female	▼3.9%	▲3.5%	▲1.1%
Total	▼3.7%	▲2.2%	▲0.9%

Employment by work period
Dec 18 (qtr. change since Sep 18)

	Part-time	Full-time	All
Quarterly	▼1.4%	▲0.4%	▲0.1%

Employment by industry
Dec 18 (ann. change since Dec 17)

Biggest rises	
Mining	▲18.2%
Transport, Post, Warehouse	▲11.1%
Arts, Rec, Other Services	▲8.2%
Biggest falls	
Wholesale Trade	▼8.9%
Ag, Forestry, Fishing	▼8.8%
Construction	▼5.1%

Consensus employment forecasts
Dec-18
2.3% p.a. employment growth to March 2019

Employment rate by ethnicity
Dec 18

	Rate	Annual
European	68.5%	▼0.6pp
Māori	63.6%	▼0.8pp
Pacific	60.3%	▼1.9pp
Asian	68.6%	▼0.9pp

Employment by region
Dec 18

	'000	Annual
Auckland	926.7	▲1.7%
Waikato	257.0	▲2.4%
Wellington	297.5	▼1.0%
Canterbury	344.1	▼0.4%
Otago	134.4	▲6.0%

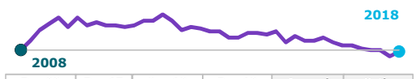
Labour market matching

Change since Sept 2018: Declined Slightly
Outlook for Mar 2019: Steady
The unemployment rate rose to 4.3 per cent in the December 2018 quarter and rose by 0.3 per cent since the September quarter when it was 4.0 per cent. There were 10,000 more people unemployed over the quarter, and with a modest rise in employment. Annually, the unemployment rate declined slightly by 0.2 percentage points (pp).

The unemployment rates for women rose from 4.0 per cent last quarter to 4.2 per cent this quarter. The unemployment rate for men rose 0.5pp to 4.4 per cent, making the female rate lower than the male rate for the first time since June quarter 2010.

The underutilisation rate rose to 12.1 cent, up from 11.4 per cent last quarter. The rise reflects 10,000, and 8,000 more people being unemployed and underemployed over the quarter.

Headline indicator:
Unemployment rate
4.3% (Dec 18)
▲0.3pp on Sep 18



Dec 08	Dec 17	Sep 18	Dec 18	Annual	Qrtly
4.4%	4.5%	4.0%	4.3%	▼0.2pp	▲0.3pp

Contributing indicators:

Unemployment by gender
Dec 18

	Rate	Quarterly	Annual
Male	4.4%	▲0.5pp	▲0.4pp
Female	4.2%	▲0.2pp	▼0.8pp

28.2% of unemployed deemed 'long-term' (i.e. unemployed more than 6 months)

Underutilisation rate by gender
Dec 18

	Rate	Quarterly	Annual
Male	10.0%	▲0.8pp	▲0.6pp
Female	14.5%	▲0.8pp	▼0.6pp

Youth not in employment, education, or training
Dec 18

	Rate	Quarterly	Annual
15 - 24 yr olds	14.1%	▲3.8pp	▲2.5pp
15 - 19 yr olds	11.4%	▲3.8pp	▲2.9pp
20 - 24 yr olds	16.5%	▲4.0pp	▲2.2pp

Advertised job vacancies
Dec 18

All vacancies (*Jobs Online*)	
Monthly to Dec 18	▲0.2%
Year to Dec 18	▲5.7%
Vacancies/applicant *(SEEK Employment Index)*	
Monthly to Jun 18	▼1.0%
Year to Jun 18	▼7.7%

Difficulty finding skilled labour
Dec-18
Net 53% of firms found it harder to get skilled staff than three months ago (net 49% in Dec 17).

Unemployment rate by ethnicity
Dec 18

	Rate	Annual
European	3.6%	▲0.1pp
Māori	8.2%	▼0.8pp
Pacific	8.5%	▲0.8pp
Asian	4.3%	▼0.2pp

Unemployment by region
Dec 18

	Rate	Annual
Auckland	4.3%	▲0.2pp
Waikato	3.4%	▼1.5pp
Wellington	4.5%	▲0.8pp
Canterbury	3.8%	▼0.2pp
Otago	3.6%	▼0.9pp

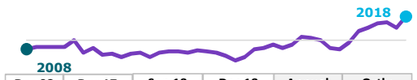
Labour supply

Change since Sept 2018: Increased
Outlook for Mar 2019: Steady
The labour force participation rate declined by 0.1pp to 70.9 per cent in the December 2018 quarter. Despite this there were more people in the labour force (up 0.4 per cent or 12,000 more people) due to the strong rise in the Working Age Population (Up by 25,000).

The participation rate for women decreased by 0.4pp to 65.8 per cent this quarter, while the rate for men rose slightly to 76.2 per cent.

Net migration, estimated based on the new outcome measure, slowed to 43,400 people in the November 2018 year, from 53,800 in the November 2017 year.

Headline indicator:
Labour force participation rate
70.9% (Dec 18)
▼0.1pp on Sep 18



Dec 08	Dec 17	Sep 18	Dec 18	Annual	Qrtly
69.0%	70.9%	71.0%	70.9%	n/c	▼0.1pp

Contributing indicators:

Participation by gender
Dec 18

	Rate	Quarterly	Annual
Male	76.2%	▲0.1pp	▼0.1pp
Female	65.8%	▼0.4pp	▲0.1pp

Migration
1/11/2018

Net migration:
Net gain of 43,400 in year to Nov 18, compared with a 53,800 gain (Nov 17)

Net NZ citizen departures:
Net loss of 7,800 in year to Nov 18, compared with a 4,500 loss (Nov 17)

Immigration (Essential Skills workers):
Full year to Dec 18: 40,700
▲17.8% on year ended Dec 17
Jul 18-Dec 18: 21,100 - up 16.6% on Jul 17-Dec

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
Dec 18

	Rate	Annual
European	71.1%	▼0.5pp
Māori	69.3%	▼1.5pp
Pacific	65.9%	▼1.5pp
Asian	71.7%	▼1.1pp

Participation by region
Dec 18

	Rate	Annual
Auckland	70.7%	▼0.4pp
Waikato	72.3%	▼0.7pp
Wellington	73.5%	▼1.4pp
Canterbury	70.4%	▼1.8pp
Otago	73.2%	▲1.9pp

Labour productivity (output per hour worked)

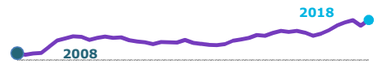
Labour quality

Change since Sept 2018: Steady
Outlook for Mar 2019: Improving
The proportion of people aged 25 to 34 years with NCEA level 4 or higher qualifications increased by 2.0pp to 59.7% in the year to December 2018.

27.1 per cent of the workforce had bachelor's degree or higher in the December 2018 quarter, up 0.4pp on the same quarter last year.

Note: Some contributing indicators (ie, Levels 1 and 2 attainment rates) are only available only for 2017.

Headline indicator:
Qualification attainment rate
25 to 34 year olds with level 4+ quals
423,600 (59.7%) in the year to Dec 18
▲2.0pp on Dec 17



2008	2017	2018	Annual
53.3%	57.7%	59.7%	▲2.0pp

Contributing indicators:

Degree holders in the workforce
Dec 18
27.1% of the workforce (Dec-18)
▲0.4pp on Dec-17

School level qualifications
2017

% of 18 yr olds with a NCEA level 2 or higher
2017

	Rate
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
2017

	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
Dec 18

	Rate	Annual
Auckland	67.0%	▲1.7pp
Waikato	61.4%	▲9.0pp
Wellington	67.4%	▼0.5pp
Canterbury	59.0%	▲3.2pp
Otago	60.2%	▲3.5pp

Workplace performance

Change since June 2018: Steady
Outlook for Sep 2018: Improving
The share of people working in skilled occupations increased by 0.6pp to 62.9% in the year to September 2018.

Annual pay increases in the private sector that were due to productivity related factors averaged 2.0% to December 2018.

Annually, average ordinary time hourly earnings , as measured by the Quarterly Employment Survey (QES), increased 3.1 per cent to reach $31.63 an hour. Average total weekly earnings for full-time equivalent employees also increased by 2.9 per cent from a year ago to $1,225.71.

Note: The headline indicator is only available up to September 2018 and some other contributing indicators are only available for earlier years.

Headline indicator:
Skilled occupation rate
62.9% are in skilled work (Dec 18)
▲0.6pp on Dec 17

Dec 08	Dec 17	Sep 18	Dec 18	Annual	Qrtly
58.9%	62.4%	62.9%	62.9%	▲0.6pp	▲0.0pp

Contributing indicators:

Skilled occupation rate
Sep 18

	Rate	Annual
Auckland	64.2%	▲0.5pp
Waikato	62.4%	▲0.5pp
Wellington	66.7%	▲0.5pp
Canterbury	62.7%	▲0.5pp
	61.1%	

Private sector productivity-related wage growth
Dec 18
▲1.6% on Dec 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
(The Global Competitiveness Report- World Economic Forum)
2018/19
NZ ranked 4th out of 140 countries
▲1 notch from 2017/18

Employment Confidence Index
(Westpac McDermott Miller)
Dec 18
▲6.8pp on Sep 2018
▲7.4pp on Dec 2017