

Unemployment rate down to 4.6 percent

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The seasonally adjusted unemployment rate fell to 4.6 percent in the September 2017 quarter, down from 4.8 percent in the June 2017 quarter, Stats NZ said today. This is the lowest unemployment rate since the December 2008 quarter, when it was 4.4 percent.

In the September 2017 quarter, the unemployment rate for men was 4.1 percent, the lowest rate since the September 2008 quarter. By comparison, the unemployment rate for women was 5.3 percent, up from 4.9 percent in the previous quarter. The unemployment rate for Māori was 9.9 percent, down from 10.6 percent a year ago.

See the labour market summary for the September 2017 quarter below.

LABOUR MARKET SUMMARY

Seasonally adjusted, September 2017 quarter

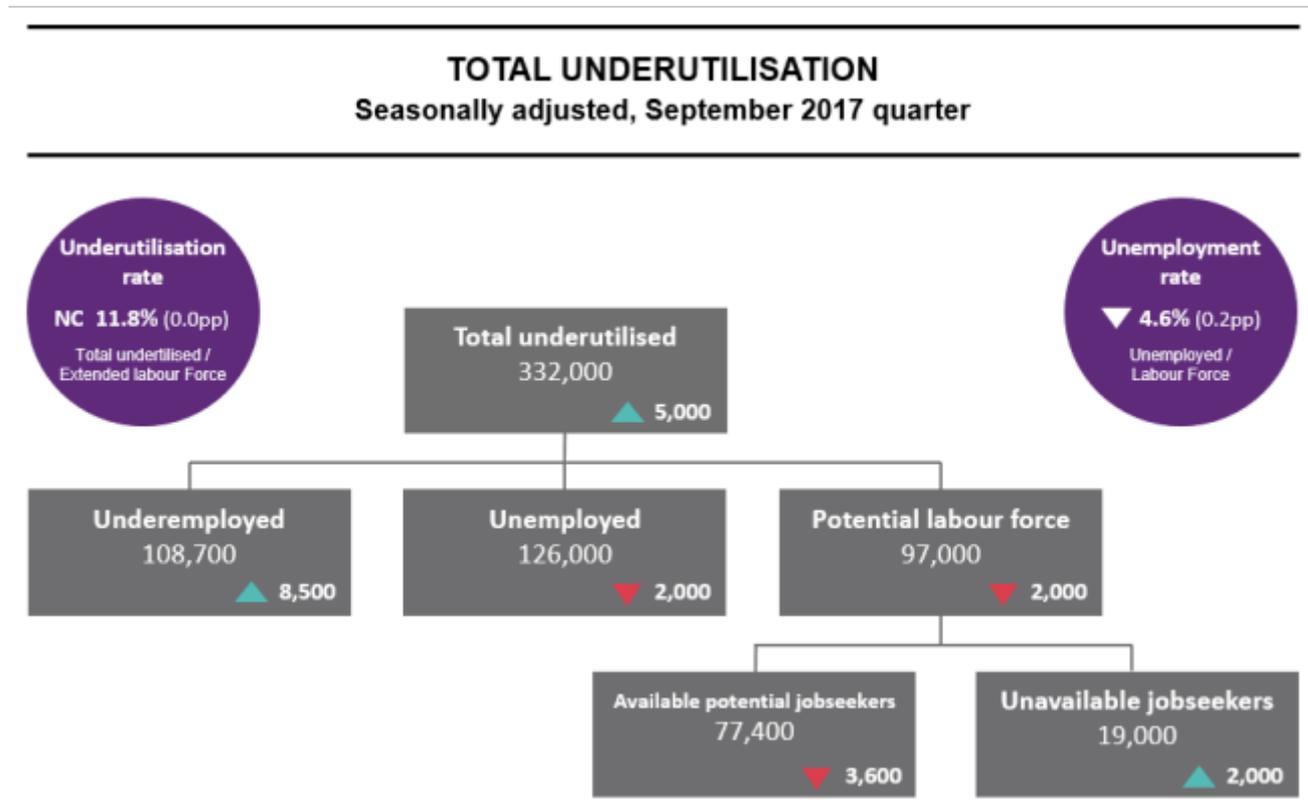


In the September 2017 quarter, the underutilisation rate was unchanged from the previous quarter at 11.8 percent, down from 12.3 percent a year ago. This rate is the number of underutilised persons divided by the extended labour force, where the extended labour force is the total of the labour force (ie the number of persons employed and unemployed) and the potential labour force (ie people who are not in the labour force but can be considered to be just outside it).

See [Introducing underutilisation in the labour market](#) for more information.

Underutilisation is a measure of the potential labour supply and unmet need for work. An underutilised person may be unemployed, underemployed (wanting more hours), an unavailable jobseeker, or an available potential jobseeker.

See the total underutilisation diagram for the September 2017 quarter below.



The labour force participation rate increased to 71.1 percent in the September 2017 quarter, as 54,000 more people entered the labour force.

“This is the highest labour force participation rate on record for the household labour force survey, and reflects more people entering employment,” labour market and household statistics senior manager Diane Ramsay said. “This is in line with strong quarterly working-age population growth and near record-high annual net migration.”

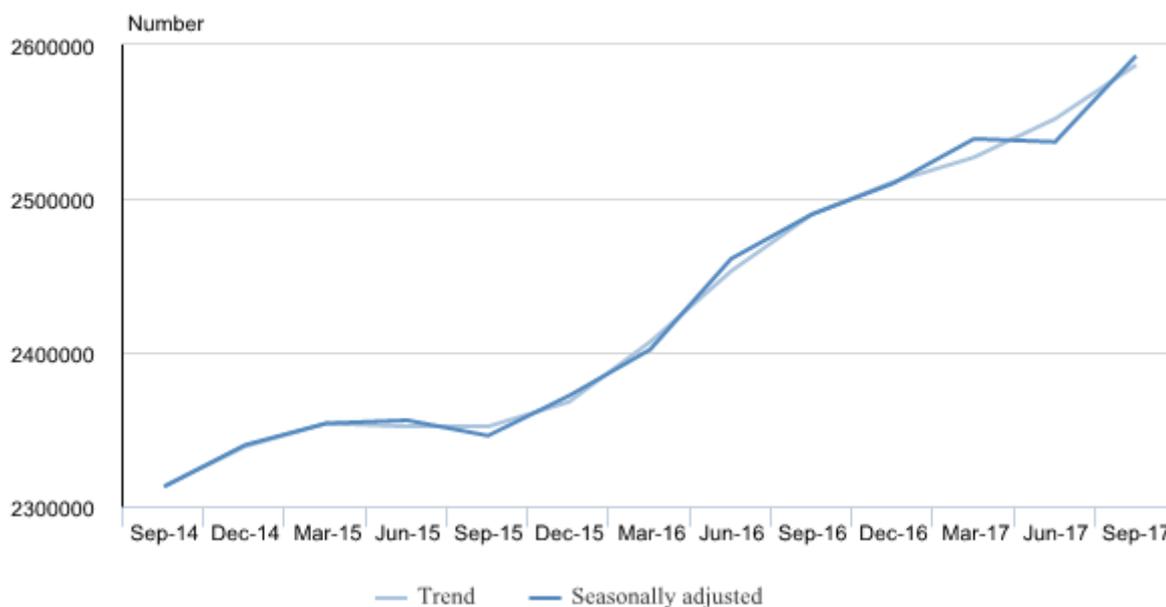
In the September 2017 quarter, the employment rate was 67.8 percent, up from 66.7 percent in the previous quarter. This is the highest rate since the series began in 1986. Employment rates for women reached a record high in the quarter.

In the September 2017 quarter, employment rose 2.2 percent, following a 0.1 percent contraction in the June 2017 quarter.

“Recent quarterly changes in employment levels have been volatile, reflecting New Zealand’s dynamic labour market,” Ms Ramsay said. “However, the trend series shows a steady increase.”

Persons employed in labour force, seasonally adjusted and trend

September 2014 to September 2017



Source: Stats NZ

Annually, employment increased 4.2 percent, with men and women contributing roughly equally to the increase. More than 85 percent of the growth in employment was from those employed full time.

More than half the annual growth in employment came from those aged 25–39 (up 53,200). Asian, Māori, and Other (comprised largely of people self-identifying as New Zealanders) ethnicities contributed most strongly to annual employment growth.

Over the year, employment growth, as measured by the household labour force survey, was reflected in the following industries:

- professional, scientific, technical, administrative, and support services (eg architects and engineers) – up 34,400 or 12.0 percent
- construction – up 22,300 or 9.9 percent
- public administration and safety – up 12,500 or 9.1 percent.

Within the construction industry, employment growth was strongest in Auckland and Wellington, but subdued in Canterbury.

In the year to the September 2017 quarter, unadjusted filled jobs, as measured by the quarterly employment survey (QES), increased 2.5 percent (up 46,300 jobs). The construction, retail trade, and accommodation and food services industries were the largest contributors to the increase.

The labour cost index (LCI) increased 1.9 percent on an annual basis, up from 1.7 percent in the year to the June 2017 quarter. This is the largest annual increase since the September 2012 quarter.

A major contributor to wage growth in the latest quarter was the impact of the Care and Support Worker (Pay Equity) Settlement Act (2017), which took effect on 1 July 2017. See [Pay deal for care and support workers lifts wages](#) for more information about the effects of this Act on the QES and LCI.

“Stats NZ produces the most comprehensive and reliable measures of labour market data available, following current best practice and standards set by the International Labour Organization,” Government Statistician and Chief Executive Liz MacPherson said. “We look forward to playing a full part in any review of New Zealand’s official measures of unemployment, as specified in the coalition agreement between Labour and New Zealand First.”

Ends

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Authorised by Liz MacPherson, Government Statistician, 1 November 2017