

# Labour Market Statistics (Income): June 2016 quarter

Embargoed until 10:45am – 07 October 2016

## Key facts

In the year to the June 2016 quarter, for those receiving income from that source:

- Median weekly earnings from paid employment increased by \$44.
- Median weekly earnings from wages and salaries increased by \$55.
- Median weekly earnings from self-employment increased by \$30.
- Median weekly income from government transfers increased by \$6.

All income figures in this information release refer to gross (before tax) income for individuals.

	June 2016 quarter		Annual change			
	Median weekly	Median hourly	Median weekly	Median hourly		
	(\$)		(\$)	(%)	(\$)	(%)
Earnings from paid employment	924	23.22	44	5.0	0.54	2.4
Earnings from wages and salaries	937	23.49	55	6.2	0.66	2.9
Earnings from self-employment	720	21.31	30	4.3	2.13	11.1
Income from government transfers	319	...	6	2.0	...	...

Symbol: ... not applicable

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ISSN 2463-6746  
7 October 2016

## Commentary

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### Introducing the Labour Market Statistics (Income) release

The Labour Market Statistics (Income) release reports on income information collected from the redeveloped Household Labour Force Survey (HLFS), and contains most of the content previously collected in the New Zealand Income Survey (NZIS). The survey continues to ask employment and government transfer income questions each year, in the June quarter, but no longer collects income information about private transfers and investments.

[Improving labour market statistics and Income data available in Labour Market Statistics \(Income\)](#) have more information about the income data available and the HLFS redevelopment.

As the output from the new income module is different from the NZIS, we do not recommend comparing estimates in this release with those in previous NZIS information releases. For example, this release does not include an estimate for 'weekly income from all sources'. Also, since the HLFS was redeveloped, we recommend caution when interpreting changes from the previous year.

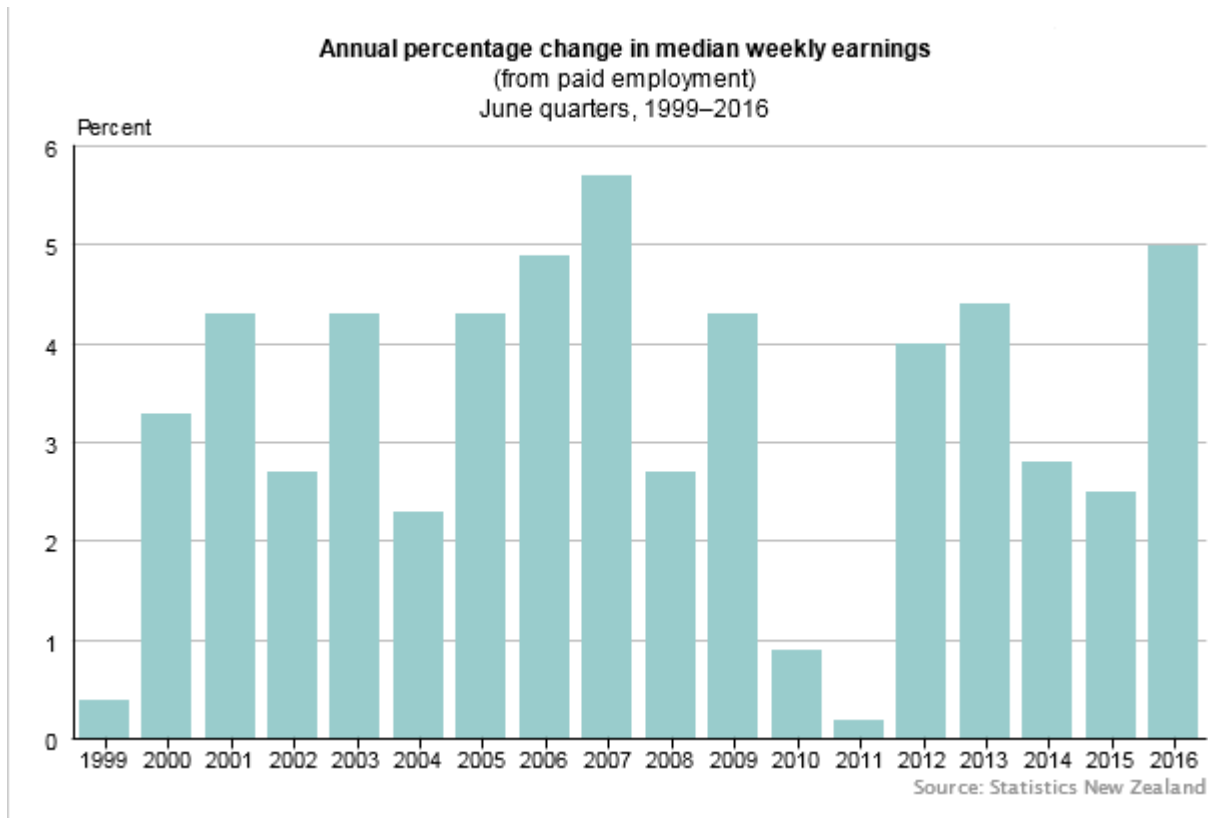
All income changes in this information release are statistically significant unless otherwise specified.

All income figures in this information release refer to gross (before tax) income for individuals.

### Median weekly earnings from paid employment increase 5.0 percent

In the year to the June 2016 quarter, median weekly earnings from paid employment increased \$44 (5.0 percent) to reach \$924, the largest annual percentage change since 2007. Earnings from paid employment are earnings from wages and salaries and/or self-employment.

Contributing to this increase was an increase in wage and salary income, which was up \$55 to \$937. Over the same period, median weekly earnings from self-employment (for those receiving this source of income) increased \$30, to \$720, although this was not statistically significant.



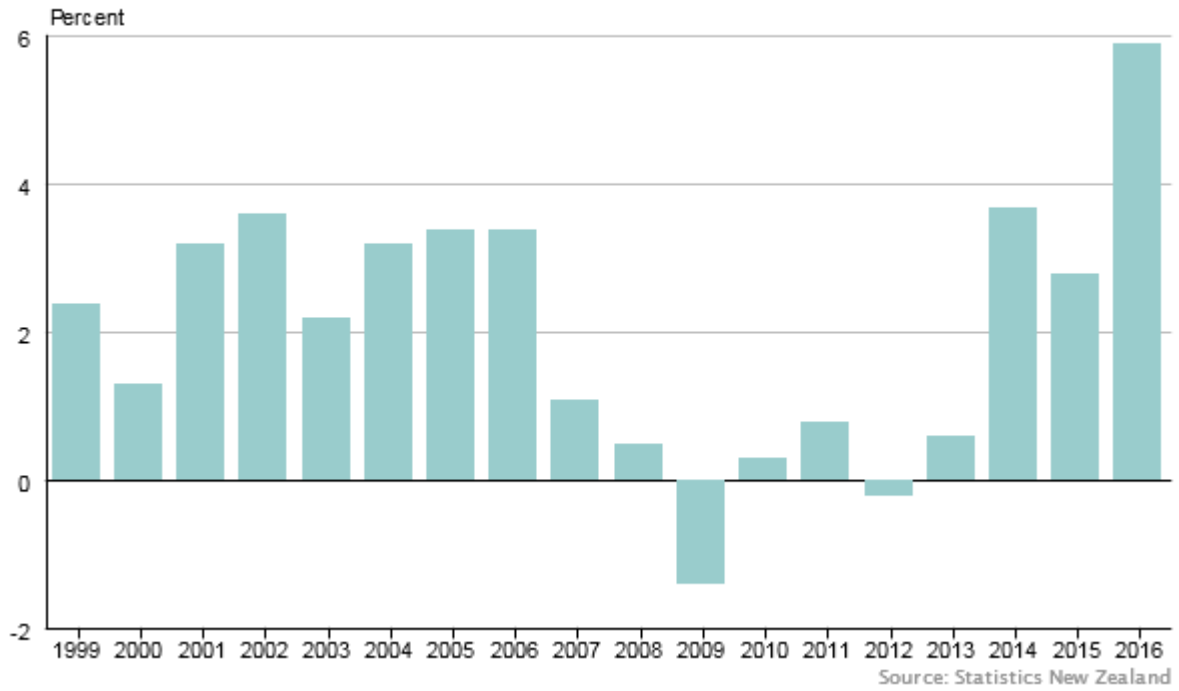
In the year to the June 2016 quarter, the number of people in paid employment increased by 135,700 (5.9 percent). However, changes to the HLFS need to be considered when interpreting this quarter's results.

Changes affecting the June 2016 quarter's paid employment estimates are:

- improved questions about undertaking paid work, which now identify more self-employed people in the labour market. This has also driven an increase in the proportion receiving earnings from self-employment and a decrease in the proportion receiving earnings from wages and salaries.
- including people employed in the armed forces and residing in private dwellings in the survey population. This added to the total number of people employed, but had only a small effect on key income estimates.

See [Understanding the increase in employment in the Labour Market Statistics: June 2016 quarter](#) release for more information about the effects of the survey changes on employment and evidence of employment growth.

**Annual percentage change in number of people in paid employment**  
June quarters, 1999–2016



Median weekly earnings from paid employment increased significantly in these regions:

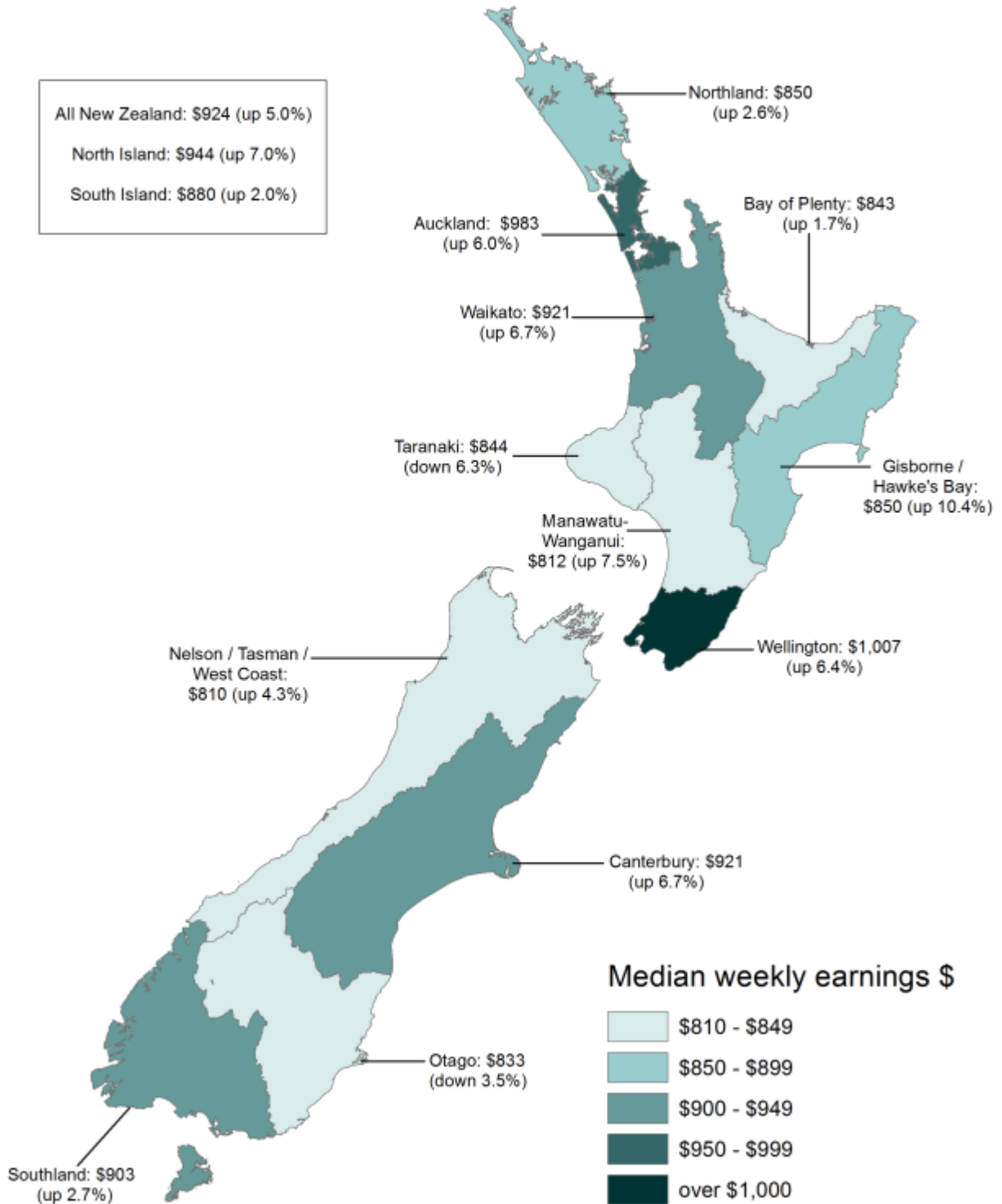
- Auckland – up \$56 (6.0 percent) to \$983
- Canterbury – up \$58 (6.7 percent) to \$921.

Note: On 31 August 2017 we removed Waikato and Gisborne/Hawke's Bay from this list.

# Median weekly earnings from paid employment

## By regional council area

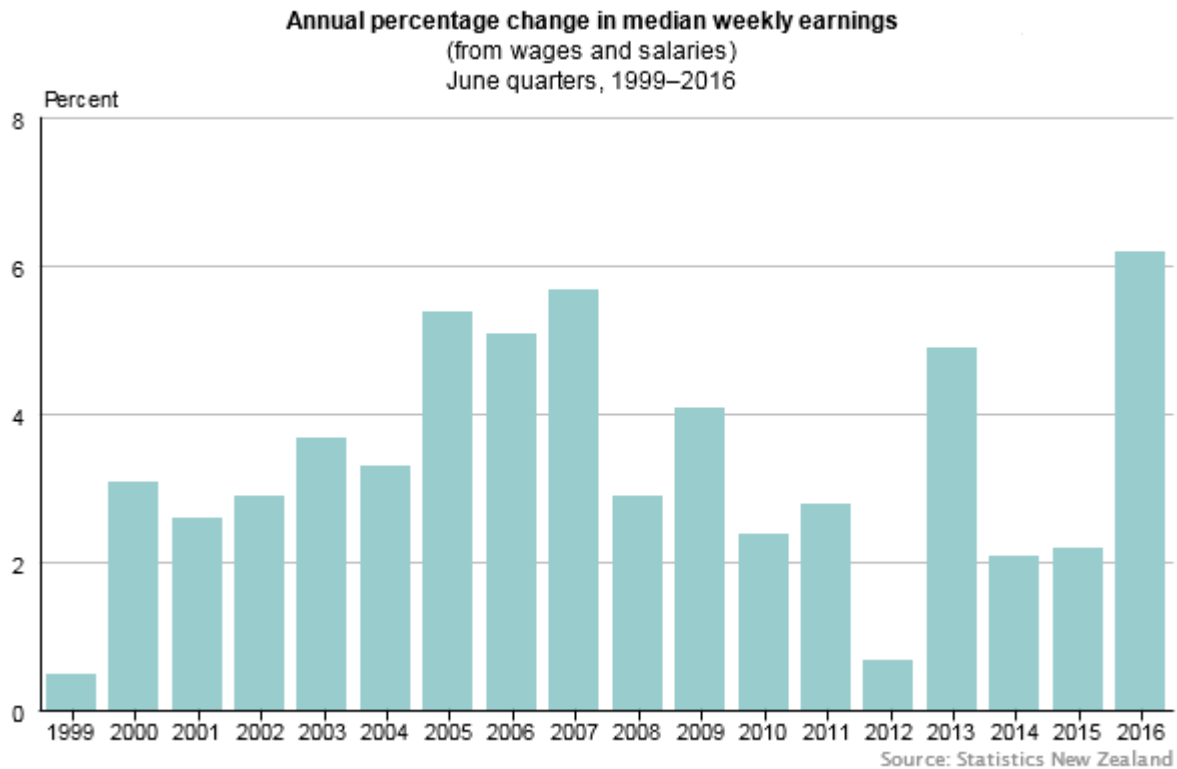
### June 2016 quarter (compared with June 2015 quarter)



## Increase in full-time workers boosts weekly wage/salary earnings

In the year to the June 2016 quarter, median weekly earnings from wages and salaries increased by \$55 (6.2 percent) to \$937.

The last time there was an increase above 5 percent was in 2007. In 2008, the economic downturn began, bringing the first decrease in average hours worked since 2004. In 2013 there was also a relatively large increase (4.9 percent) in median weekly earnings. This was driven by changes in the structure of the workforce – a higher proportion of people aged 50+ were in the workforce, and a smaller proportion of youth, who were in education instead. The changing age structure affects median wage and salary earnings as younger people tend to earn lower income than people in the older age groups.



An increase in the proportion of full-time workers and an increase in hours being worked both contributed to the increase in wage and salary income. In the year to the June 2016 quarter, 78.1 percent of workers worked full time (up 1.2 percentage points), the highest proportion since the series began in 1998. This was an increase of 24,700; the number of part-time workers decreased 16,200. This affects weekly wage and salary income as people in full-time employment typically earn more than people in part-time employment.

Over the same period, average weekly hours worked for all workers increased 0.8 hours (2.2 percent) to 37.0 hours. Average weekly hours for full-time workers increased 0.5 hours (1.1 percent) to 42.6 hours.

## Hourly earnings up 2.9 percent

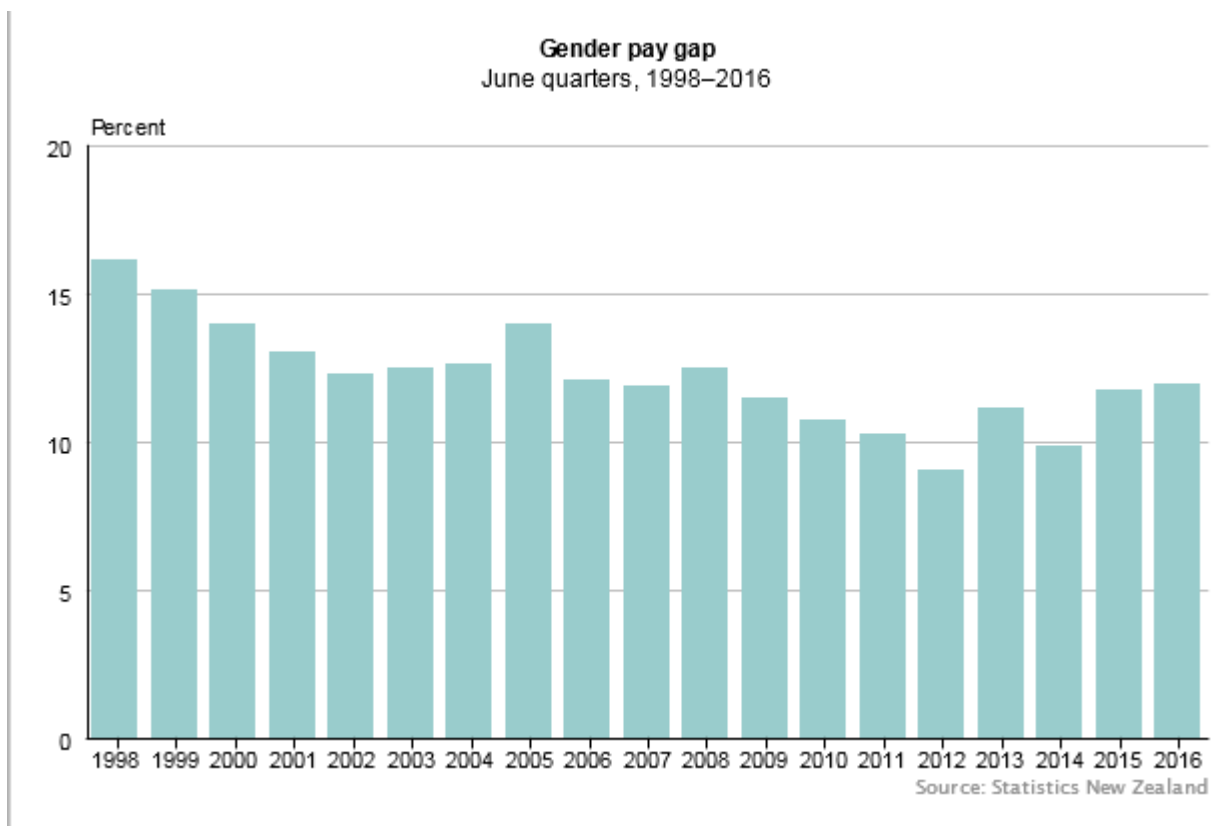
In the year to the June 2016 quarter, median hourly earnings from wages and salaries increased \$0.66 (2.9 percent) to \$23.49. Median hourly earnings for males were up \$0.93 (3.9 percent), to reach \$25.00, while for females, it increased \$0.77 (3.6 percent), to reach \$22.00.

Median hourly earnings increased in 4 of 17 industries:

- Public administration and safety – up \$2.40 (8.3 percent) to \$31.17
- Health – up \$1.60 (7.0 percent) to \$24.62
- Construction – up \$1.48 (6.4 percent) to \$24.50
- Retail trade and accommodation – up \$0.37 (2.2 percent) to \$17.00.

See [Labour Market Statistics: June 2016 quarter](#) for recent information on our other wage growth measures.

The gender pay gap is a way to understand the differences in pay for males and females. The changes in hourly earnings for men and women resulted in a gender pay gap of 12.0 percent in the June 2016 quarter, compared with 11.8 percent in the June 2015 quarter, and 9.9 percent in the June 2014 quarter. The June 2016 quarter's increase is not statistically significant.



## Fewer people receive government transfer income

In the year to the June 2016 quarter, median weekly income from government transfers increased \$6 (2.0 percent) to \$319.

The number of people receiving income from government transfers fell by 49,300 (4.2 percent). This was driven by a decrease in the number of women, down 37,100 (5.3 percent), receiving this income. There were also significant decreases for the 15–19, 20–24, 40–44, and 50–54-year age groups.

Median weekly income from government transfers for people aged 65+ increased \$4 (1.1 percent) to \$336. Despite the overall decrease in the year to the June 2016 quarter, 21,000 more people aged 65+ received government transfer income – 56.8 percent of all people receiving income from this source were aged 65+.

From 1 April 2016, the rate of New Zealand Superannuation increased 2.73 percent. Rates for main beneficiaries and student allowance recipients with dependent children increased \$25 a week after tax. Other rates for financial support linked to the consumers price index, such as job seeker support and student allowances, remained the same.



## Related links

### Next release

*Labour Market Statistics (Income): June 2017 quarter* will be released in October 2017.

To [subscribe to information releases](#), including this one, please complete the online subscription form.

The [Release calendar](#) lists all our upcoming information releases by date of release.

### Data quality

[Labour Market Statistics \(Income\) period specific information – Datainfo+](#) has labour market statistics (income) information that changes between periods.

[Labour Market Statistics \(Income\) concepts – Datainfo+](#) has definitions of terms used in this release.

[Labour Market Statistics \(Income\) – Datainfo+](#) has general methodology used to produce labour market statistics (income) statistics.

### Related information

[Income data available in Labour Market Statistics \(Income\) from October 2016](#) has more information about changes in the income release.

[Improving labour market statistics](#) for information (including papers and other relevant data) on the Household Labour Force Survey redevelopment.

[User guide for wage and income measures](#) (published 2013) has more information on the various Statistics NZ income and wage measures.

[Labour Market Statistics](#) produces a wide range of statistics relating to employment, unemployment, and people not in the labour force. It also includes statistics on total earnings, hours paid for, filled jobs, average hourly and weekly earnings, and information on movements in base salary and ordinary time wage rates, and overtime wage rates.

[Household Economic Survey](#) collects information on household expenditure and income, as well as a wide range of demographic information on individuals and households.

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## Tables

Income tables can be found through [NZ.Stat](#) – our free web tool for creating, finding, customising, and downloading datasets.

On the **Welcome** page choose the **Income** tab in the left navigation panel to find the following tables:

1. Income by sex, age groups, ethnic groups, and income source
2. Income by region, sex, age groups, and ethnic groups
3. Earnings for people in paid employment by region, sex, age groups, and ethnic groups
4. Earnings from wages and salaries and self-employment, by sex, age groups, and ethnic groups
5. Earnings from main wage and salary job by industry (ANZSIC2006), sex, age groups, and ethnic groups
6. Earnings from main wage and salary job by occupation (ANZSCO2006), sex, age groups, and ethnic groups
7. Earnings from main wage and salary job by industry (ANZSIC2006), sex, and highest qualification
8. Earnings from main wage and salary job by occupation (ANZSCO2006), sex and highest qualification
9. Earnings from wage and salary jobs by sex, age groups, ethnic groups, and full-time and part-time status
10. Gender pay gap by age groups (based on median hourly earnings from wages and salaries)
11. Household income by region, household type, and household income source

## Next release

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