

Labour productivity increases 1.4 percent

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Labour productivity increased 1.4 percent in the year ended March 2014, Statistics New Zealand said today.

Labour productivity measures the quantity of goods and services (output) produced for each hour of labour. The latest figures show that one hour of labour could produce 100 units of output in 1996, compared with 132 units in one hour of labour in 2014.

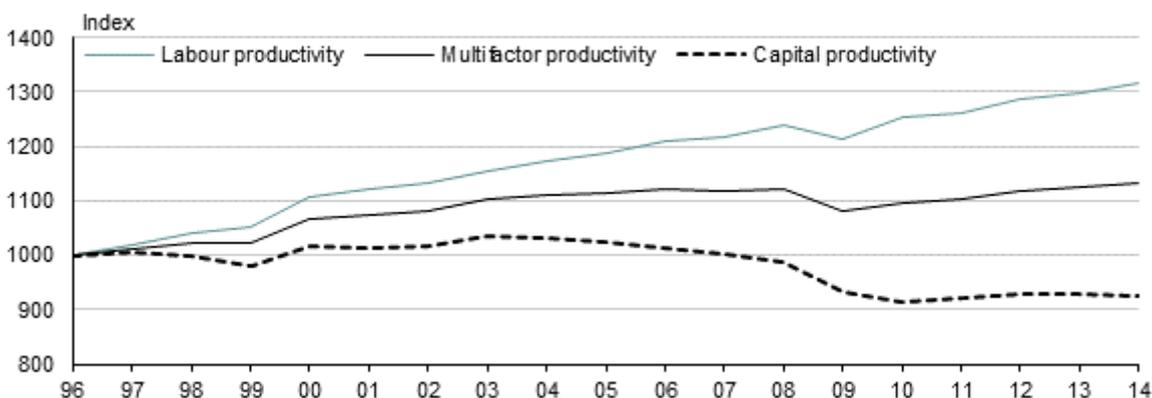
The 1.4 percent increase in labour productivity in 2014, from 2013, was the result of stronger growth in outputs (up 2.5 percent) than in labour inputs (up 1.2 percent). Increases in the amount of capital inputs available per worker (up 0.8 percent), and an increase in multifactor productivity (up 0.6 percent), also contributed to the increased labour productivity in the latest year. Multifactor productivity captures the effects of unobserved inputs such as technological progress, efficiency gains, and economies of scale.

The new figures include industry productivity data up to the year ended March 2013. “The construction industry had high growth in output of 10.8 percent in the March 2013 year,” national accounts manager Gary Dunnet said. “This increase in output resulted from strong increases in the contributions of labour input and multifactor productivity.”

From 1996 to 2014, multifactor productivity grew slightly more in New Zealand (up 0.7 percent a year) than in Australia (up 0.6 percent a year). However, Australia experienced a higher rate of growth in labour productivity over the same period – an average of 2.3 percent a year compared with an average 1.5 percent increase a year in New Zealand.

Productivity is regarded as key to increasing New Zealand’s standard of living in the long run. Productivity statistics cover approximately 80 percent of the country’s economy, and exclude government administration and defence, health, and education.

Measured sector’s productivity indexes
Year ended March, 1996–2014 Base: 1996 (=1000)



Source: Statistics New Zealand

Ends

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Authorised by Colin Lynch, Acting Government Statistician, 30 June 2015