

Auckland Regional Household Labour Force Survey: Quarterly Overview – June 2019

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Research and Evaluation Unit (RIMU)

Auckland Council

This report

This report is prepared by the Research and Evaluation unit (RIMU) of Auckland Council. It provides an overview of aspects of labour force participation in Auckland, as indicated by results of the quarterly Household Labour Force Survey (HLFS) (administered by Statistics New Zealand). Particular focus is provided on trends across age and ethnic groups in the region, and the NEET rate.

Seasonality: Data in this report is not 'seasonally adjusted'. In order to ensure information is seasonally aligned, rolling annual averages are used throughout this report for reporting across time.

Definitions: A list of definitions is included at the back of this report.

Revisions: The survey and all back-data was re-based in March 2015 to match the 2013 census and incorporate regional population benchmarks. Also, the survey and all back-data since 2009 was revised in June 2016 when 'searching online ads only' was redefined from 'official unemployed' to 'looking at job ads only' (ie not actively seeking employment, therefore Not In Labour Force). This overview uses the revised data.

The Household Labour Force Survey (HLFS)

The HLFS is a national sample survey undertaken by Statistics New Zealand.

It is primarily designed for national estimates. The national sample contains about 16,000 private households and about 30,000 individuals each quarter. Households are sampled on a statistically representative basis from rural and urban areas throughout New Zealand, and information is obtained for each member of the household aged 15 or older. Each quarter, one-eighth of the households in the sample are rotated out and replaced by a new set of households.

Sampling errors: As the HLFS is a sample survey, all statistics are subject to survey sampling error. Statistics presented here at the sub-sample (e.g. local board) and sub-variable (e.g. NEET) levels are also subject to additional sampling errors and should be treated as indicative only.

Survey questionnaire changes: In June 2016, the HLFS questionnaire was changed to identify more self-employed people (who would previously have been Not In Labour Force and/or NEET), and to include members of the armed forces living in private dwellings (previously not part of 'Working Age Population'). Consequently, employment and unemployment rates and other affected data from June 2016 onwards are not fully compatible with earlier periods.

The information provided in this report supplements other information freely available HLFS reporting:

National and some regional data released on Statistics NZ website: www.stats.govt.nz

Technical notes on the HLFS on Statistics NZ website:

<http://www.stats.govt.nz/survey-participants/a-z-of-our-surveys/household-labour-force-survey.aspx>

and for explanation of June 2016 questionnaire changes:

http://www.stats.govt.nz/browse_for_stats/income-and-work/employment_and_unemployment/LabourMarketStatistics_HOTPJun16qtr-incl-HLFS/Commentary.aspx

Further labour market analysis is available from MBIE:

<http://www.dol.govt.nz/publications/lmr/labour-maket-analysis.asp>

Auckland Economic Quarterly provides an overview of key economic trends in Auckland:

Additional Auckland HLFS data is available on request from Auckland Council's Research and Evaluation Unit, RIMU

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Disclaimer - The information in this document is given in good faith and has been obtained from sources believed to be reliable and accurate at the date of preparation, but its accuracy, correctness and completeness cannot be guaranteed.

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1. Overview and highlights

For the quarter ended June 2019:

- The overall unemployment rate was 4.2%, the lowest-equal June rate since 2007.
- The NEET (not in employment, education or training) rate for youth aged 15-24 was 8.7%, lower than the preceding quarter and the third-lowest rate since 2013.

Over the year ended June 2019:

- The unemployment rate overall averaged 4.1% in the year ended June 2019, similar¹ to 4.3% in the year ended June 2018, and the lowest-equal annual rate since 2008.
- The unemployment rate among those aged 15 to 19 averaged 18.9%, similar to 20.0% a year prior (but continuing a downward trend since the 27.8% of 2012).
- The unemployment rate for females of all ages averaged 4.4%, a fall from 4.9% a year prior, while the unemployment rate for males averaged 3.9%, similar to 3.8% a year prior. The gap between males and females (0.5%) has narrowed compared to its peak in the year ended June 2015 (2.5%).
- Unemployment rates among Māori (8.1%) and Pacific people (8.5%) were both similar to a year prior (8.4% and 8.3% respectively), and remained higher than European (3.1%) and Asian (4.1%) ethnic groups (but have been trending down since 2014).
- The labour force participation rate overall averaged 71.1%, the highest ever (since at least 1995).
- The labour force participation rate for females averaged 66.3%, a new record high since at least 1995 and continuing the uptrend since 2001 (57.1%).
- The labour force participation rate for people aged 20-24 averaged 77.1%, the second-highest since 1999 and continuing the uptrend since 2013 (67.2%), but still lower than the previous peak of 83.0% in June 1998.

Table 1: Labour force status, comparison to preceding quarter and year

	Quarter end Mar 2019 (snapshot)	Quarter end Jun 2019 (snapshot)	Year end Jun 2018 (annual average)	Year end Jun 2019 (annual average)
Number employed	940.5	943.3	910.1	936.0
Number unemployed	43.4	40.8	41.4	40.4
Number not in the labour force	393.3	402.1	390.5	397.4
Number in the working age population	1377.3	1386.2	1342.0	1373.8
Labour force participation rate (%)	71.4	71.0	70.9	71.1
Unemployment rate (%)	4.4	4.2	4.3	4.1

Note: Numbers are '000s of people

¹ Definition of similar or different is relative to survey sampling error margins produced by Statistics NZ; for further details see 'Significant difference' in Appendix 1.

Table 2: Quick overview of unemployment rates among age, gender and ethnic groups (%) (annual averages)

	Year end June 2018	Year end June 2019
Total	4.3	4.1
15-19 years	20.0	18.9
20-24 years	9.0	8.1
25-39 years	3.4	3.2
40-54 years	2.7	2.8
55 years +	2.4	2.2
Female	4.9	4.4
Male	3.8	3.9
European	3.2	3.1
Māori	8.4	8.1
Pacific	8.3	8.5
Asian	4.4	4.1
MELAA/Other	9.3	4.6

Table 3: Quick overview of labour force participation rates among age, gender and ethnic groups (%) (annual averages)

	Year end June 2018	Year end June 2019
Total	70.9	71.1
15-19 years	37.8	40.6
20-24 years	74.6	77.1
25-39 years	86.1	86.4
40-54 years	87.6	87.0
55 years +	50.5	50.1
Female	65.2	66.3
Male	77.0	76.1
European	72.7	73.0
Māori	69.9	67.5
Pacific	63.5	63.2
Asian	71.2	72.0
MELAA/Other	67.3	68.2

2. Labour force status and unemployment rate by age

For the year ended June 2019, labour force status for the various age groups was as shown in Table 4.

Table 4: Labour force status by age group, year ended June 2019 (annual averages)

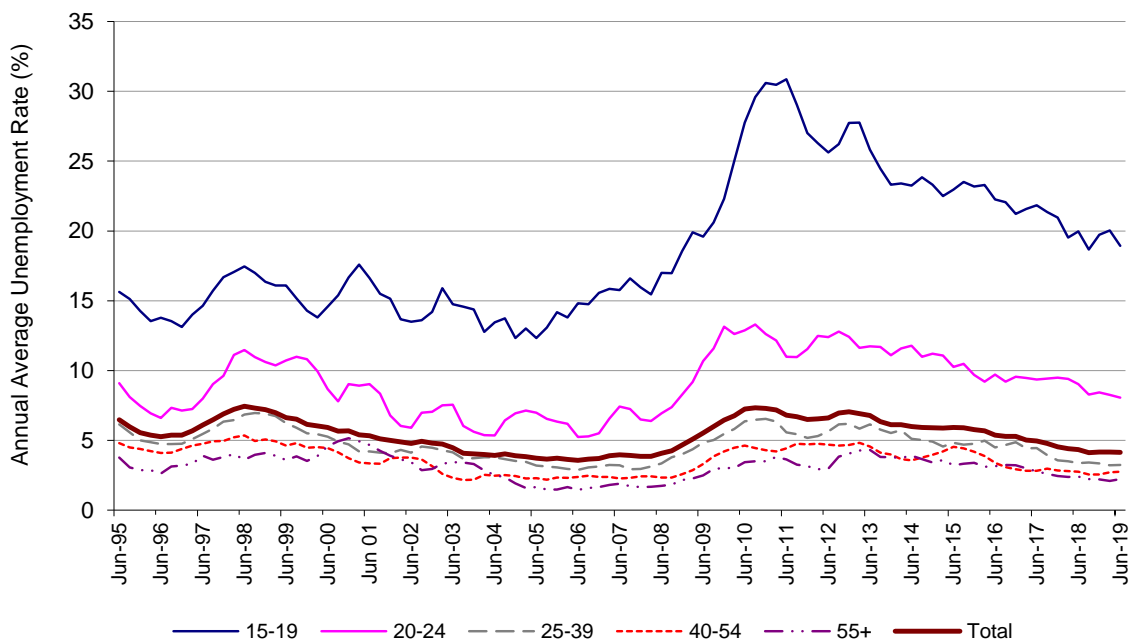
	Total	15 to 19 years	20 to 24 years	25 to 39 years	40 to 54 years	55 years and over
Number employed	936.0	37.3	95.9	326.6	276.2	200.0
Number unemployed	40.4	8.7	8.4	11.0	7.8	4.6
Number not in the labour force	397.4	67.3	31.0	53.3	42.6	203.4
Number in the working age popn	1373.8	113.3	135.3	390.8	326.6	408.0
Labour force participation rate (%)	71.1	40.6	77.1	86.4	87.0	50.1
Unemployment rate (%)	4.1	18.9	8.1	3.2	2.8	2.2

Note: Numbers are '000s; totals and rates may incorporate minor sampling discrepancies.

The annual average unemployment rates for the year ended June 2019 for every age group were similar to the year ended March 2019 (besides a down-tick for ages 15-19), but they all still show a post-2010 downward (improving) trend (except possibly ages 55+). The unemployment rate continues to vary substantially between age groups: lowest for ages 55 years and over (2.2%), and highest for 15 to 19 year olds (18.9%).

Similarly, labour force participation rates vary from ages 15-19 (40.6%), to ages 40-54 (87.0%); for ages 55+ (50.1%), they have doubled since the year ended June 1995 (26.2%).

Figure 1: Unemployment rate by age group (rolling annual average), 1995-2019



3. Labour force status and unemployment rate by gender

For the year ended June 2019, labour force status for males and females was as shown in Table 5.

Table 5: Labour force status by gender, year ended June 2019 (annual averages)

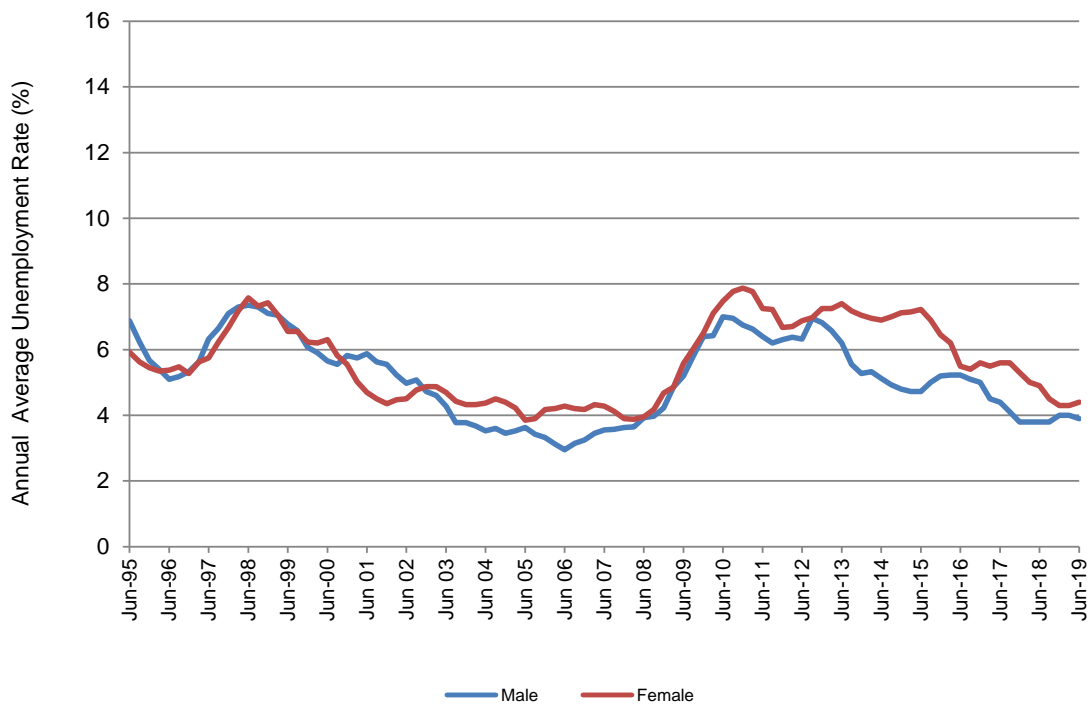
	Total	Male	Female
Number employed	936.0	488.0	447.9
Number unemployed	40.4	19.8	20.7
Number not in the labour force	397.4	159.8	237.7
Number in the working age popn	1373.8	667.5	706.3
Labour force participation rate (%)	71.1	76.1	66.3
Unemployment rate (%)	4.1	3.9	4.4

Note: Numbers are '000s; totals and rates may incorporate minor sampling discrepancies

The annual average unemployment rate for the year ended June 2019 remained slightly higher for females (4.4%) than males (3.9%); the gap (0.5%) has fluctuated since 2002 (between 0% and 2.5%), but causes less impact than variations over time of the overall unemployment rate. Latest unemployment rates were similar to the year ended March 2019 for both genders, and are both still much lower than the peaks in 2010 (7.9% and 7.0%) and 1998 (7.5% and 7.4%).

In addition, the labour force participation rate (LFPR) for females (66.3%) remained significantly lower than for males (76.1%), despite being the highest on record (since at least 1995); however, the LFPR gender gap (9.8%) has fallen by half since 1995 (18.8%).

Figure 2 Unemployment rate by gender (rolling annual average), 1995-2019



4. Labour force status and unemployment rate by ethnic group

For the year ended June 2019, labour force status for the five main ethnic groups was as shown in Table 6.

Table 6: Labour force status by ethnic group, year ended June 2019 (annual average)

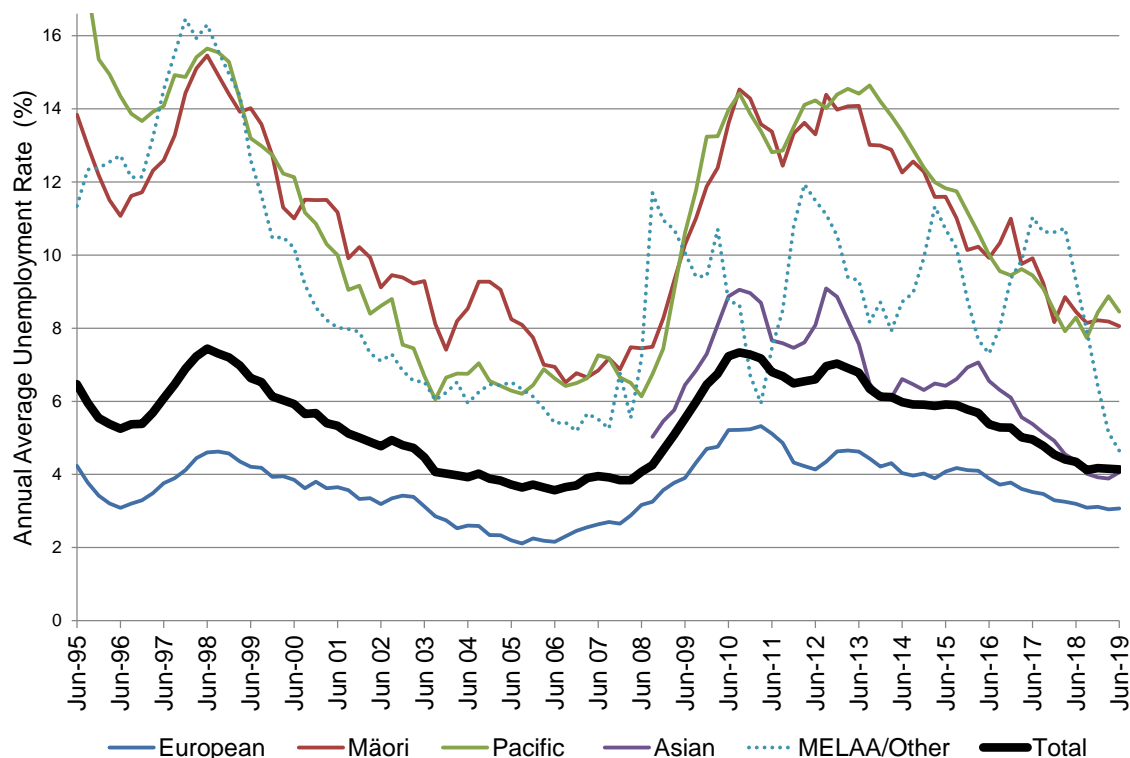
	Total	European	Māori	Pacific	Asian	MELAA/Other
Number employed	936.0	547.0	71.9	106.4	251.1	21.6
Number unemployed	40.4	17.3	6.3	9.8	10.6	1.1
Number not in the labour force	397.4	208.5	37.6	67.7	101.8	10.7
Number in the working age popn	1373.8	772.8	115.8	184.0	363.5	33.2
Labour force participation rate (%)	71.1	73.0	67.5	63.2	72.0	68.2
Unemployment rate (%)	4.1	3.1	8.1	8.5	4.1	4.6

Notes: Numbers are '000s; sums may exceed totals due to respondents selecting multiple ethnic groups. These numbers are indicative only as sub-sample sizes are small. MELAA = Middle Eastern/ Latin American/ African.

The annual average unemployment rates for the year ended June 2019 were similar to the year ended March 2019 for every ethnic group² - but all groups are still on downward (improving) trends since 2010. The unemployment rate continued to vary substantially between ethnic groups: lowest for Europeans (3.1%) and Asians (4.1%) and highest for Pacific peoples (8.5%) and Māori (8.1%).

In contrast, labour force participation rates (71.1% overall) varied less, from Pacific (63.2%) and Māori (67.5%) to Asian (72.0% - up from 64.1% in 2013) and European (73.0%).

Figure 3 Unemployment rate by ethnic group (rolling annual average), 1995-2019



Note: Asian Ethnic Group was included in MELAA/Other until December Quarter 2007

² Except possibly Middle Eastern/Latin American/African (MELAA)/Other, which is highly volatile and subject to error margins up to +/-50% (eg an actual rate of 10% could show up as “5%” to “15%”).

5. Employment by occupation

In the June 2019 quarter, Auckland's largest occupational categories were Professionals (26.7% of Auckland's total employment), and Managers (21.3%), followed by Clerical and Administrative workers (12.7%) and Technicians and Trades workers (10.2%).

Between the March 2019 and June 2019 quarters, there were significant increases in the number of people employed as:

- Sales Workers (+9300)
- Clerical and Administrative Workers (+5600)

In contrast, between the March 2019 and June 2019 quarters, there was a significant decrease in the number of people employed as:

- Community and Personal Service Workers (-9200)

Table 7: Employment by occupation – comparison to preceding quarter (quarterly data)

Occupation (ANZSCO 1-digit)	March 2019 quarter	June 2019 quarter	March 2019 quarter	June 2019 quarter
	Number		Share (%)	
Managers	205.8	200.9	21.9	21.3
Professionals	255.7	252.0	27.2	26.7
Technicians and Trades Workers	95.3	96.5	10.1	10.2
Community and Personal Service Workers	77.1	67.9	8.2	7.2
Clerical and Administrative Workers	113.8	119.4	12.1	12.7
Sales Workers	75.1	84.4	8.0	8.9
Machinery Operators and Drivers	47.4	50.1	5.0	5.3
Labourers	57.1	59.0	6.1	6.3
Total	940.5	943.3	100.0	100.0

Notes: Numbers are '000s. Total includes not elsewhere included.

6. Employment by industry

In the June 2019 quarter, the largest sectors in terms of employment were Other Business Services (179,800 people; 19.1% of total employment) and Wholesale and Retail (148,500 people; 15.7% of total employment).

Between the March 2019 and June 2019 quarters, there were significant increases in the number of people employed in:

- Wholesale and Retail (+9800)
- Transport, Postal and Warehousing (+4200)

Between the March 2019 and June 2019 quarters, there were significant decreases in the number of people employed in:

- Health Care and Social Assistance (-6500)

Table 8: Employment by industry – comparison to preceding quarter (quarterly data)

Industry (ANZSIC06)	March 2019 quarter	June 2019 quarter	March 2019 quarter	June 2019 quarter
	Number		Share (%)	
Agriculture and Mining	8.3	7.5	0.9	0.8
Manufacturing	82.4	78.6	8.8	8.3
Utilities and Construction	90.2	91.1	9.6	9.7
Wholesale and Retail	138.7	148.5	14.7	15.7
Accommodation and Food Services	51.1	53.3	5.4	5.7
Transport, Postal and Warehousing	48.9	53.1	5.2	5.6
Information Media and Telecommunications	21.8	20.8	2.3	2.2
Financial and Insurance Services	41.2	41.5	4.4	4.4
Other Business Services	177.0	179.8	18.8	19.1
Education and Training	80.1	81.5	8.5	8.6
Health Care and Social Assistance	87.3	80.8	9.3	8.6
Other Services	92.0	89.7	9.8	9.5
Total (including not specified)	940.5	943.3	100.0	100.0

Notes: Numbers are '000s, rounded to nearest hundred.

7. Youth not in employment, education or training (NEET)

For the quarter ended June 2019, the overall percentage of young people (aged 15-24) who were not in employment, education or training (NEET) in Auckland (8.7%) was lower than the New Zealand average (9.6%) over the same period. Note that quarterly NEET rates are typically subject to substantial seasonal effects. For the year ended June 2019, the annual average NEET rate for Auckland (11.4%) was similar to the New Zealand average (11.9%) over the same period.

Indicative NEET rates for the various local board areas for the latest quarter and year are shown in Table 9. Due to small sub-sample sizes, this information is not always available for some local board areas ('..S'), and is never available for Great Barrier (not listed). The other local board NEET levels and rates have varying error margins (18% to 56%; e.g. at 56% error margin, '10% NEET rate' could actually be anywhere between 4.4% and 15.6%).

Table 9: NEET rates by local board area – quarter ended June 2019 (quarterly data, plus annual averages)

Local board area	15-24 Age Population (000)	Quarterly NEET (000)	Quarterly NEET rate (%)	Annual average NEET Rate (%)
Rodney	4.3	..S	..S	..S
Hibiscus and Bays	16.2	..S	..S	10.4
Upper Harbour	10.7	..S	..S	16.3
Kaipatiki	12.5	1.2	10.0	11.2
Devonport-Takapuna	12.6	1.1	8.7	8.7
Henderson-Massey	14.3	1.4	9.8	13.7
Waitākere Ranges	8.7	..S	..S	18.0
Waiheke	..S	..S	..S	..S
Waitematā	13	..S	..S	12.3
Whau	11.4	1.1	9.5	12.1
Albert-Eden	20.5	..S	..S	12.2
Puketāpapa	12	..S	..S	9.7
Ōrākei	12.6	..S	..S	13.1
Maungakiekie-Tāmaki	9.8	1.2	11.9	15.4
Howick	25	1.6	6.3	9.5
Māngere-Ōtāhuhu	14.8	3.1	21	20.1
Ōtara-Papatoetoe	17.6	2.3	13.1	18.0
Manurewa	18.4	3.4	18.6	18.2
Papakura	6.0	1.2	20.6	24.8
Franklin	10.2	1.2	11.4	13.5
Auckland total	250.3	21.8	8.7	11.4
Southern Initiative	56.8	10.1	17.7	19.0
Rest of Auckland	193.6	11.7	6.0	9.1
Rest of New Zealand	417.9	42.4	10.1	12.2
Total New Zealand	668.2	64.2	9.6	11.9

Any finer geography than Auckland total is below the design level of the survey; local board area estimates should be treated as indicative only and used with caution.

..S = data suppressed due to base numbers being too small (eg NEET below 1000 for the quarter (quarterly) or for one or more of the four quarters (annual average)).

The Southern Initiative is made up of the Māngere-Ōtāhuhu, Ōtara-Papatoetoe, Manurewa and Papakura Local Boards.

Appendix 1: Definitions used in the HLFS

Employed: Those HLFS respondents who during their survey reference week had either:

- worked for one hour or more for pay or profit, as employee/employer/self employed
- worked without pay for one hour or more for a relative's farm or business
- had a job but were temporarily not at work.

Labour force: Members of the working-age population who during their 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.

NEET rate: Calculated as the total number of youth (aged 15–24 years) who are not in employment, education or training (NEET), as a proportion of the total youth working-age population (aged 15-24 years).

Not in the labour force: Any person who is neither employed nor unemployed. This category includes, for example:

- retired persons
- persons with personal or family responsibilities such as child care, unpaid house work
- persons attending educational institutions
- persons permanently unable to work due to physical or mental handicaps
- persons who were not actively seeking work (see note above regarding unemployed).

Significant difference: The HLFS is a sample survey, so all statistics are subject to survey sampling error – the random variation between the sample and the total population. For a difference to be statistically significant, it must exceed this margin of error (see also note on sampling errors).

Unemployed: Unemployed persons are those in the working-age population who 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. (NOTE: 'Actively sought work' does not include people whose only job search method was to look at job advertisements in newspapers or online.)

Unemployment rate (UER): The number of unemployed expressed as a percentage of the labour force.

Working age population (WAP): total population (ie of all labour force statuses) aged 15 or over (including over 65); sometimes restricted to a particular specified sub-group such as by gender or ethnicity – and sometimes also for a sub-group defined by age e.g. youth (aged 15-24).