

Labour market continues to improve

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More people are working and unemployment has fallen to 5.6 percent according to the latest figures from Statistics New Zealand.

"We continue to see more people move into employment and although the participation rate has dropped from a peak last quarter, it is still at an historically high level," labour market and households statistics manager Diane Ramsay said. "The unemployment rate fell from a revised 5.9 percent to 5.6 percent and is the lowest it has been since the March 2009 quarter."

Annually, the number of people employed rose 3.7 percent in the Household Labour Force Survey (HLFS). Employment growth in Canterbury accounted for almost half of the total national employment growth over the year. In the Quarterly Employment Survey (QES), demand for workers from established businesses rose 2.3 percent.

Annual wage inflation, as measured by the labour cost index (LCI) salary and wage rates (including overtime), increased 1.7 percent compared with annual consumer price inflation of 1.6 percent. Average ordinary time hourly earnings (QES) rose 2.5 percent over the year.

"Annual wage inflation edged up and this was driven by private sector annual wage rate growth of 1.8 percent – influenced by the minimum wage increasing 3.6 percent. Public sector annual wage rate growth was unchanged at 1.2 percent," Ms Ramsay said. In the June 2014 quarter:

	June 2014 quarter	Quarterly change	Annual change
	(000)	(Percent)	
Employed	2,328	+0.4	+3.7
Unemployed	137	-6.3	-10.9
Filled jobs	1781	+0.4	+2.3
	(Percent)	(Percentage points)	
Employment rate	65.0	-0.1	+1.3
Unemployment rate	5.6	-0.3	-0.8
Labour force participation rate	68.9	-0.3	+0.8
	(Level)	(Percent)	
Average ordinary time hourly earnings	(\$) ^{28.23}	+0.2	+2.5
Wage inflation (salary and wage rates, including overtime)	1092	+0.5	+1.7

Note: The unemployment rate and labour force participation rate were revised last quarter, as part of the usual HLFS seasonal adjustment process, to 5.9 percent and 69.2 percent from 6.0 percent and 69.3 percent, respectively.

Our labour market indicators include the HLFS, QES, and LCI. The HLFS is a broad measure of labour market activity by individuals, while the QES measures demand by established firms for paid work and hourly earnings. The LCI is a measure of wage inflation. Results from all three surveys are based on representative samples from across New Zealand. [Explaining labour market statistics](#) has more information on these indicators.

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 Authorised by Liz MacPherson, Government Statistician, 6 August 2014