

# Auckland Regional Household Labour Force Survey: Quarterly Overview – December 2018

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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](http://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](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 December 2018:

- The overall unemployment rate was 4.3%, the second-lowest December rate since 2007.
- The NEET (not in employment, education or training) rate for youth aged 15-24 was 14.8%, a significant uptick and the highest since 2012.

Over the year ended December 2018:

- The unemployment rate overall averaged 4.2% in the year ended December 2018, similar<sup>1</sup> to 4.5% in the year ended December 2017, and the second-lowest annual rate since September 2008.
- The unemployment rate among those aged 15 to 19 averaged 19.7%, similar to 21.0% a year prior (but continuing a downward trend since 2012).
- The unemployment rate for females of all ages averaged 4.3%, a fall from 5.3% a year prior, while the unemployment rate for males averaged 4.0%, similar to 3.8% a year prior. The gap between males and females (0.3%) has narrowed compared to its peak in the year ended June 2015 (2.5%).
- Unemployment rates among Māori (8.2%) and Pacific people (8.4%) were both similar to a year prior (8.2% and 8.5% respectively), and remained higher than European and Asian ethnic groups (but have been trending down since 2014).
- The labour force participation rate overall averaged 70.9%, similar to the record high a year prior (70.5%).
- The labour force participation rate for females averaged 65.4%, similar to the record high a year prior (64.6%) and continuing the uptrend since 2001 (57.1%).
- The labour force participation rate for people aged 55+ averaged 50.3%, similar to the record high a year prior (49.9%) and continuing the uptrend since at least 1995 (26.2%).

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

	<b>Quarter end Sept 2018 (snapshot)</b>	<b>Quarter end Dec 2018 (snapshot)</b>	<b>Year end Dec 2017 (annual average)</b>	<b>Year end Dec 2018 (annual average)</b>
Number employed	933.3	926.7	892.1	922.7
Number unemployed	35.5	42.0	42.5	40.1
Number not in the labour force	393.4	400.8	390.2	395.4
Number in the working age population	1362.3	1369.5	1324.7	1358.2
Labour force participation rate (%)	71.1	70.7	70.5	70.9
Unemployment rate (%)	3.7	4.3	4.5	4.2

Note: Numbers are '000s of people

<sup>1</sup> 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)**

	<b>Year end Dec 2017</b>	<b>Year end Dec 2018</b>
<b>Total</b>	<b>4.5</b>	<b>4.2</b>
15-19 years	21.0	19.7
20-24 years	9.5	8.4
25-39 years	3.6	3.4
40-54 years	2.8	2.5
55 years +	2.4	2.2
Female	5.3	4.3
Male	3.8	4.0
European	3.3	3.1
Māori	8.2	8.2
Pacific	8.5	8.4
Asian	4.9	3.9
MELAA/Other	10.6	6.4

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

	<b>Year end Dec 2017</b>	<b>Year end Dec 2018</b>
<b>Total</b>	<b>70.5</b>	<b>70.9</b>
15-19 years	37.4	39.2
20-24 years	75.3	75.0
25-39 years	85.1	86.5
40-54 years	87.4	87.1
55 years +	49.9	50.3
Female	64.6	65.4
Male	76.9	76.7
European	72.3	72.9
Māori	68.7	68.2
Pacific	63.9	63.1
Asian	70.9	71.2
MELAA/Other	64.1	69.0

## 2. Labour force status and unemployment rate by age

For the year ended December 2018, labour force status for the various age groups was as shown in Table 4.

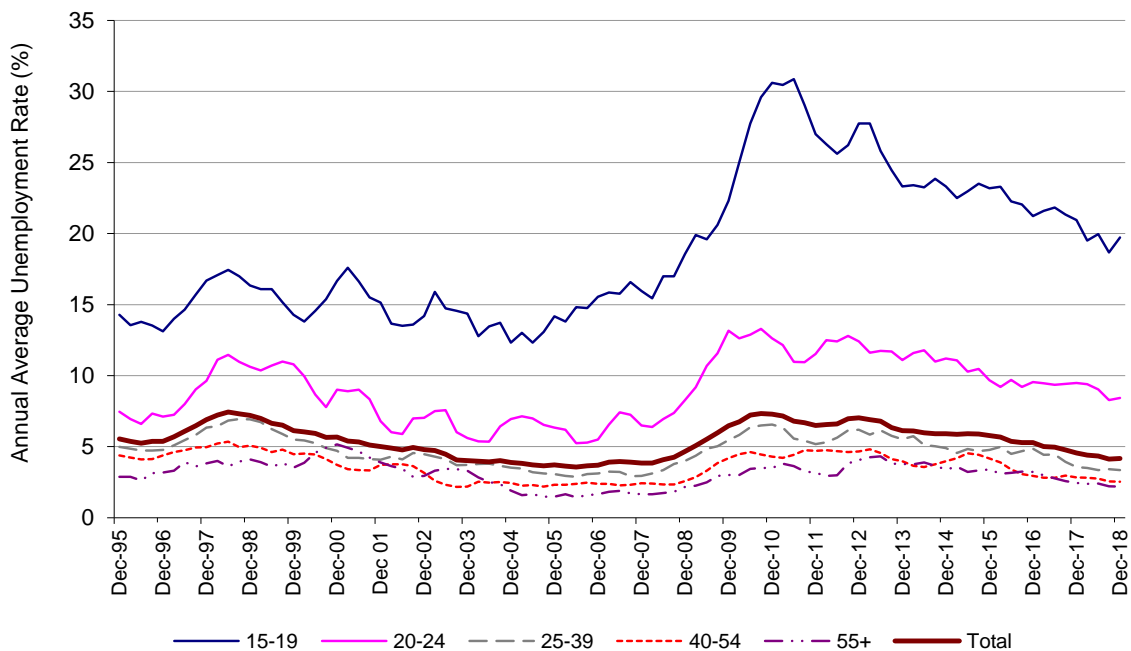
**Table 4: Labour force status by age group, year ended December 2018 (annual averages)**

	Total	15 to 19 years	20 to 24 years	25 to 39 years	40 to 54 years	55 years and over
Number employed	922.7	35.5	95.0	320.8	275.0	196.5
Number unemployed	40.2	8.7	8.8	11.1	7.2	4.4
Number not in the labour force	395.4	68.7	34.6	51.9	41.8	198.4
Number in the working age popn	1358.3	113.0	138.3	383.9	323.9	399.3
Labour force participation rate (%)	70.9	39.2	75.0	86.5	87.1	50.3
Unemployment rate (%)	4.2	19.7	8.4	3.4	2.5	2.2

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

The annual average unemployment rates for the year ended December 2018 for every age group were similar to the year ended September 2018, but they all still show a post-2010 downward trend (except possibly ages 55+). The unemployment rate differences between age groups continue to be substantial, from 2.2 percent for ages 55 years and over to 19.7 per cent for 15 to 19 year olds. Similarly labour force participation rates vary from ages 15-19 (39.2%), to ages 40-54 (87.1%); ages 55+ are now at 50.3 per cent participation.

**Figure 1: Unemployment rate by age group (rolling annual average), 1995-2018**





### 3. Labour force status and unemployment rate by gender

For the year ended December 2018, labour force status for males and females was as shown in Table 5.

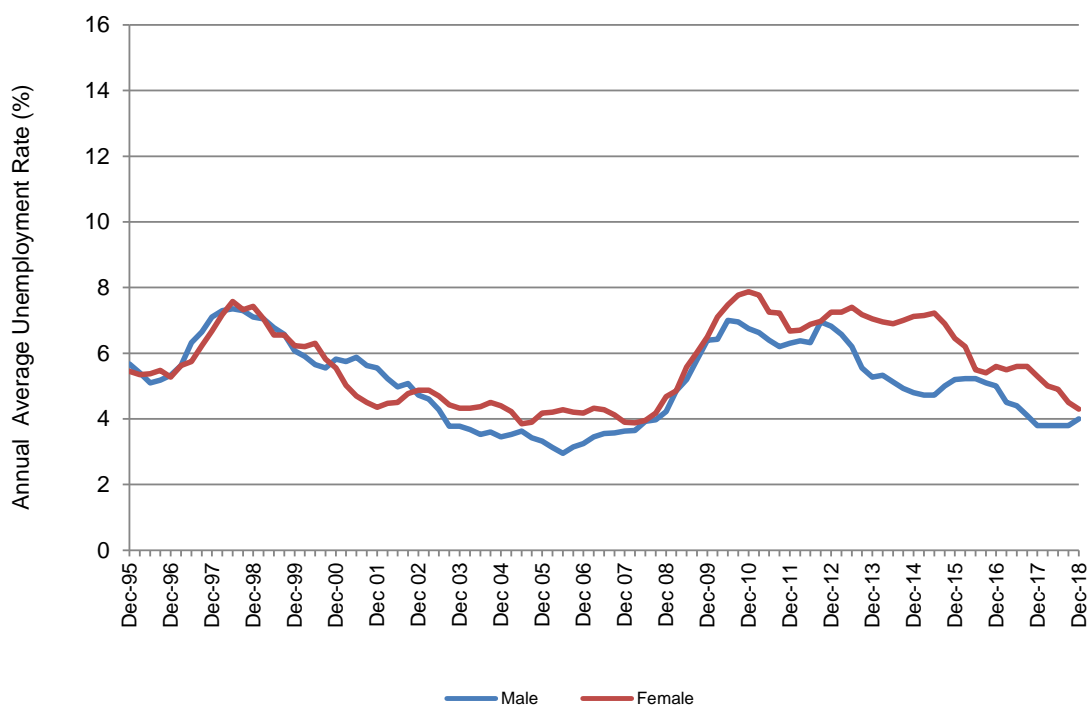
**Table 5: Labour force status by gender, year ended December 2018 (annual averages)**

	Total	Male	Female
Number employed	<b>922.7</b>	484.3	438.5
Number unemployed	<b>40.2</b>	20.3	19.9
Number not in the labour force	<b>395.4</b>	153.4	242.0
Number in the working age popn	<b>1358.3</b>	657.9	700.3
Labour force participation rate (%)	<b>70.9</b>	76.7	65.4
Unemployment rate (%)	<b>4.2</b>	4.0	4.3

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

The annual average unemployment rates for the year ended December 2018 were similar to the year ended September 2018 for both genders, but are both still on long term downward trends since 2011 (given that the latest slight uptick for males was not statistically significant). The unemployment rate remained slightly higher for females (4.3%) than males (4.0%), and the gap (0.3%) has fluctuated between 0 per cent and 2.5 per cent since 2002, but has less impact than variations over time of the overall unemployment rate. In addition, the labour force participation rate (LFPR) for females (65.4%) remained significantly lower than for males (76.7%), despite being the highest-equal on record (since 1995); however, the LFPR gender gap (11.3%) is now over a third lower than in 1995 (18.8%).

**Figure 2 Unemployment rate by gender (rolling annual average), 1995-2018**



## 4. Labour force status and unemployment rate by ethnic group

For the year ended December 2018, labour force status for the five main ethnic groups was as shown in Table 6.

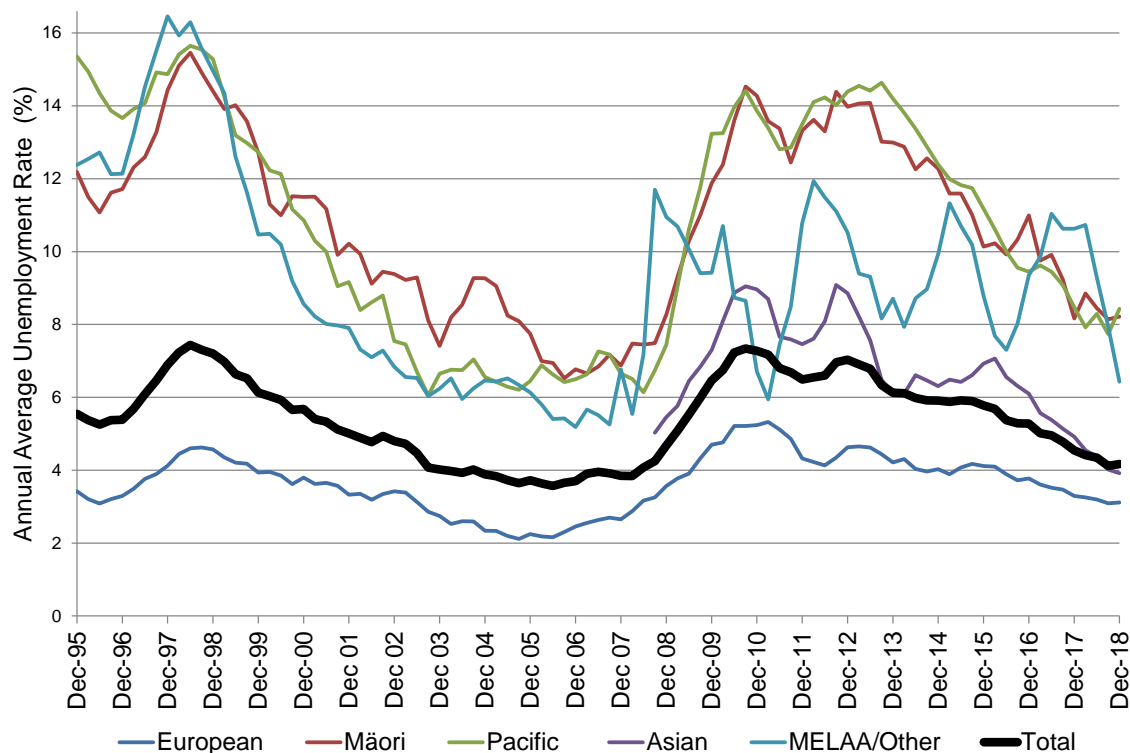
**Table 6 Labour force status by ethnic group, year ended December 2018 (annual averages)**

	Total	European	Māori	Pacific	Asian	MELAA/Other
Number employed	922.7	552.7	70.1	102.7	237.7	21.5
Number unemployed	40.2	17.8	6.3	9.5	9.7	1.5
Number not in the labour force	395.4	211.9	35.6	65.6	99.9	10.4
Number in the working age popn	1,358.3	782.4	111.9	177.7	347.3	33.3
Labour force participation rate (%)	70.9	72.9	68.2	63.1	71.2	69.0
Unemployment rate (%)	4.2	3.1	8.2	8.4	3.9	6.4

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 December 2018 were similar to the year ended September 2018 for every ethnic group except Middle Eastern/ Latin American/ African (MELAA) – which fell significantly, but all groups (except possibly MELAA) are still on long term downward (improving) trends. The unemployment rate continues to vary substantially between ethnic groups, from 3.1 per cent for Europeans to 8.4 per cent for Pacific peoples, but they appear to be converging. Labour force participation rates (70.9% overall) are similar for all ethnic groups except Pacific (63.1%).

**Figure 3 Unemployment rate by ethnic group (rolling annual average), 1995-2018**



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

## 5. Employment by occupation

In the December 2018 quarter, Auckland's largest occupational categories were Professionals (27.1% of Auckland's total employment), and Managers (21.0%), followed by Clerical and Administrative workers (12.2%) and Technicians and Trades workers (10.0%).

Between the September 2018 and December 2018 quarters, there were significant increases in the number of people employed as Machinery Operators and Drivers.

In contrast, between the September 2018 and December 2018 quarters, there were no significant decreases in the number of people employed in any occupational category.

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

Occupation (ANZSCO 1-digit)	September 2018 quarter	December 2018 quarter	September 2018 quarter	December 2018 quarter
	Number		Share (%)	
Managers	195.4	194.4	20.9	21.0
Professionals	258.6	251.3	27.7	27.1
Technicians and Trades Workers	95.8	93.1	10.3	10.0
Community and Personal Service Workers	77.6	75.1	8.3	8.1
Clerical and Administrative Workers	114.0	113.5	12.2	12.2
Sales Workers	76.5	75.5	8.2	8.1
Machinery Operators and Drivers	45.5	49.5	4.9	5.3
Labourers	58.2	59.5	6.2	6.4
<b>Total</b>	<b>933.3</b>	<b>926.7</b>	<b>100.0</b>	<b>100.0</b>

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

## 6. Employment by industry

In the December 2018 quarter, the largest sectors in terms of employment were Other Business Services (173,000 people; 18.7% of total employment) and Wholesale and Retail (140,200 people; 15.1% of total employment).

Between the September 2018 and December 2018 quarters, there were no significant increases in the number of people employed in any sector.

In contrast, between the September 2018 and December 2018 quarters there were significant decreases in the number of people employed in the Other Services sector:

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

Industry (ANZSIC06)	September 2018 quarter	December 2018 quarter	September 2018 quarter	December 2018 quarter
	Number		Share (%)	
Agriculture and Mining	10.2	9.6	1.1	1.0
Manufacturing	82.7	81.9	8.9	8.8
Utilities and Construction	91.3	88.6	9.8	9.6
Wholesale and Retail	137.7	140.2	14.8	15.1
Accommodation and Food Services	50.2	51.3	5.4	5.5
Transport, Postal and Warehousing	45.7	45.5	4.9	4.9
Information Media and Telecommunications	23.6	21.2	2.5	2.3
Financial and Insurance Services	36.0	38.2	3.9	4.1
Other Business Services	171.9	173.0	18.4	18.7
Education and Training	85.4	81.6	9.2	8.8
Health Care and Social Assistance	88.7	86.4	9.5	9.3
Other Services	97.6	88.7	10.5	9.6
<b>Total (including not specified)</b>	<b>933.3</b>	<b>926.7</b>	<b>100.0</b>	<b>100.0</b>

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

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

For the quarter ended December 2018, the overall percentage of young people (aged 15-24) in Auckland who were not in employment, education or training (NEET) was 14.8 per cent; this was similar to the New Zealand average (14.5%) over the same period. Note that quarterly NEET rates are typically subject to substantial seasonal effects. For the year ended December 2018, the annual average NEET rate for Auckland (11.7%) 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 never for Great Barrier (not listed). The other local board NEET levels and rates have error margins of 18 to 56 per cent (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 December 2018 (quarterly data, plus annual averages)**

Local board area	15-24 Age Population (000)	Quarterly NEET (000)	Quarterly NEET rate (%)	Annual average NEET Rate (%)
Rodney	6.0	..S	..S	..S
Hibiscus and Bays	13.3	1.3	9.8	..S
Upper Harbour	9.6	1.8	18.7	..S
Kaipatiki	14.1	1.9	13.2	..S
Devonport-Takapuna	9.8	..S	..S	..S
Henderson-Massey	15.2	3.1	20.1	16.6
Waitākere Ranges	8.0	1.4	18.0	..S
Waiheke	..S	..S	..S	..S
Waitematā	10.2	1.0	9.8	..S
Whau	8.8	..S	..S	..S
Albert-Eden	21.4	2.4	11.4	..S
Puketāpapa	13.6	1.1	8.1	..S
Ōrākei	12.2	2.2	18.4	12.4
Maungakiekie-Tāmaki	9.7	1.4	13.9	..S
Howick	22.3	3.0	13.4	11.1
Māngere-Ōtāhuhu	16.1	3.3	20.3	20.1
Ōtara-Papatoetoe	17.9	3.9	21.9	16.9
Manurewa	19.0	3.7	19.4	18.5
Papakura	5.0	..S	..S	..S
Franklin	11.5	1.8	15.6	..S
<b>Auckland total</b>	<b>244.7</b>	<b>36.3</b>	<b>14.8</b>	<b>11.7</b>
Southern Initiative	58.1	11.7	20.2	18.4
Rest of Auckland	186.6	24.6	13.2	9.8
Rest of New Zealand	425.8	60.8	14.3	12.0
<b>Total New Zealand</b>	<b>670.6</b>	<b>97.2</b>	<b>14.5</b>	<b>11.9</b>

..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)).

Any finer geography than 'published Region' level (e.g. Auckland total) is below the design level of the survey. Estimates should be treated as indicative only and used with caution.

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).



**Find out more:** phone 09 301 0101, email [rimu@aucklandcouncil.govt.nz](mailto:rimu@aucklandcouncil.govt.nz) or visit [aucklandcouncil.govt.nz](http://aucklandcouncil.govt.nz) and [knowledgeauckland.org.nz](http://knowledgeauckland.org.nz)