

# Annual wage rates grow 1.9 percent

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Labour cost index (LCI) salary and wage rates, which include overtime, increased 1.9 percent in the year to the September 2012 quarter, Statistics New Zealand said today. This includes a 0.5 percent rise in the September 2012 quarter.

Salary and ordinary time wage rates in the private sector increased 2.1 percent in the year to the September 2012 quarter. Public sector rates were up 1.4 percent, down from 1.6 percent in the year to the June 2012 quarter. The latest annual wage rate growth in the public sector resulted from increases in the central government sector (up 1.3 percent) and local government (up 2.4 percent).

The mean increase for all surveyed salary and wage rates that rose in the September 2012 quarter was 3.1 percent, compared with 3.6 percent in the June 2012 quarter. The latest mean increase is the lowest since a 3.1 percent increase in the March 2011 quarter. Of all pay rates surveyed, 56 percent showed annual increases in the year to the September 2012 quarter, the same proportion as in the year to the June 2012 quarter.

Results from the Quarterly Employment Survey (QES), also released today, showed that average hourly earnings for ordinary time (ie excluding overtime) rose 2.8 percent in the year to the September 2012 quarter. This followed a rise of 2.9 percent in the year to the June 2012 quarter.

The QES results also showed subdued demand for labour in the September 2012 quarter, as seasonally adjusted employment and paid hours remained relatively unchanged. A fall in full-time employment (down 0.3 percent) contributed to a 0.1 percent fall in the number of full-time equivalent employees (FTEs). Meanwhile, a rise in part-time employment (up 0.4 percent) helped raise the number of filled jobs by 0.3 percent. Seasonally adjusted total paid hours fell 0.3 percent over the same period.

The LCI tracks nearly 6,000 jobs and reflects changes in the rates that employers pay to have the same job done to the same standard. Rises to match the market, retain staff, or reflect the cost of living are shown in the LCI, while rises reflecting individual performance or years of service are filtered out.

The QES surveys approximately 18,000 business locations and reflects New Zealand employers' demand for paid labour. From the survey responses, we estimate the levels and changes in employment, gross earnings, and paid hours in the industries we survey. These estimates are then used to calculate average earnings and paid hours statistics.

**Ends**

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