

# User guide for Stats NZ's wage and income measures

Fourth edition



## Purpose and summary

*User guide for Stats NZ's wage and income measures* is a valuable tool for policy analysts, researchers, journalists, and anyone else who is interested in wage and income trends in New Zealand.

This fourth edition is a concise version of previous editions. It provides overviews of selected income measures and how they are used, as well their design and purpose. There is no single definitive income measure – each is used for different purposes and has its own strengths and weaknesses.

The table below summarises the income measures according to the features most frequently requested by users. This is followed by an overview of each measure.

For more information, contact our Info Centre at [info@stats.govt.nz](mailto:info@stats.govt.nz) or call 0508 525 525 (toll-free). Stats NZ is also available via live chat on [Stats NZ's website](#) or [Facebook page](#).

	HLFS (Income)	QES	LCI	LEED (Person)	LEED (Job)	HES	Census	Experimental IDI series
Release frequency	Annual	Quarterly	Quarterly	Annual	Quarterly	Annual	Every 5 years (latest release 2013)	To be confirmed
Data perspective	Household and individual	Job	Job	Individual	Job	Household and individual	Household and individual	Individual
Measures	All sources collected <sup>(1)</sup>	Salary and wages	Salary and wages	All taxable sources	Paid employment	All sources	All sources	Paid employment
Expressed as	Dollar values	Dollar values	Price indexes	Dollar values	Dollar values	Dollar values	Dollar bands	Dollar values
Periods measured	Hourly /weekly	Hourly /weekly	Quarterly /annual	Quarterly /annual	Quarterly /annual	Hourly <sup>(2)</sup> /weekly /annual	Weekly /annual	Annual
Medians available	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Key demographics								
Sex	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
Age	Yes	No	No	Yes	Yes	Yes	Yes	Yes
Ethnicity	Yes	No	No	No	No	Yes	Yes	No
Region	Yes	Yes <sup>(3)</sup>	No <sup>(3)</sup>	Yes	Yes	Yes <sup>(3)</sup>	Yes	Yes
Sub-region	No	No	No	Yes	Yes	No	Yes	Yes
Sector	No	Yes	Yes	Yes	Yes	No	Yes	No
Industry	Yes	Yes	Yes	Yes	Yes	No	Yes	No
Occupation	Yes	No	Yes	No	No	No	Yes	No
Full time /part-time	Yes	Yes	No	No	No	Yes	Yes	No
1. All sources collected is income from paid employment and government transfers. 2. Data available upon request, but not presently published. 3. Limited regional data available at a published level. For more information and quotes for customised data, email <a href="mailto:info@stats.govt.nz">info@stats.govt.nz</a> or call 0508 525 525 (toll-free). Source: Stats NZ								

## Household Labour Force Survey (Income)

The HLFS (Income) measure, which is collected once a year, tracks the income and demographics of 15,000 households. It was formerly the stand-alone New Zealand Income Survey, but is now an HLFS supplement. The survey's large sample population, and the inclusion of information about income from paid employment, self-employment, and government transfers, mean you can compare income by income type and across a range of demographics, such as sex, age, ethnicity, disability status, and highest qualification.

Information on median hourly earnings from the HLFS (Income) measure are used every year for [measuring the gender pay gap](#) in New Zealand. The HLFS income content is also key to the Ministry of Business Innovation and Employment's annual minimum wage review.

The HLFS (Income) measure can miss seasonal variations in income due to its annual publication.

For the latest data, see [Labour market statistics \(income\): June 2017 quarter](#).

## Quarterly Employment Survey (QES)

The QES measures the money spent on wages and salaries at 16,000 business locations. It also captures the number of filled jobs and hours worked – hours worked allows the calculation of average hourly earnings. The survey is designed to maximise industry comparisons and provides information back to 1989 in an easy-to-understand format.

Average weekly earnings, as measured by the QES, are used to calculate superannuation, veterans' pension, and paid parental leave.

The QES only measures income from wages and salaries, excluding the self-employed, defence force employees, and those employed in agriculture, aquaculture, or fisheries. It only provides breakdowns by sex, so the data cannot be used to compare income by features, such as ethnicity or age.

For the latest data, see [Labour market statistics: September 2017 quarter](#).

## Labour Cost Index (LCI)

The LCI measures changes in salary and wage rates for a fixed quantity and quality of work. Stats NZ collects salary and ordinary time wage rates for about 6,000 job descriptions each quarter. Users often compare the LCI to the CPI or the household living-cost price index (HLPI) to see how wage inflation compares with consumer inflation. Economists and government agencies closely watch the LCI as an indicator of wage inflation.

The LCI excludes all personal demographics, providing only job-based comparisons like occupation, industry, skill level, or sector. It does not provide dollar values, only changes over time for the cost of labour from the employer's point of view.

For the latest data, see [Labour market statistics: September 2017](#).

## Linked Employer-Employee Database (LEED)

LEED uses tax data collected by Inland Revenue (IR) to get total income per person or job. It is the most comprehensive measure of income from salaries and wages, but also the least timely. This measurement results in no sample error as may happen in a survey of workers. This is because, theoretically, all income is reported to IR. It also allows movements into and out of specific jobs to be tracked.

At the person level, it records annual income from all taxable sources, broken down by sex and age. At the job level, it records quarterly income from wages and salaries with job demographics like industry and sector.

Due to the timeframes associated with New Zealand's tax system, it takes time to collect LEED data. As a result, we don't release quarterly LEED (job) results until 12 months after its reference period and annual LEED (person) results until 18 months after its reference period.

For the latest data, see the LEED tables on [NZ.Stat](#).

## Household Economic Survey (HES)

HES is an annual survey, with collections performed across 5,000 households over a year for the 12 months before interviewing. This helps eliminate seasonal variation in income data. Every three years, HES produces a comprehensive report on household expenditure, making it the best measure for comparing household income and spending.

HES data is key for measuring child poverty, as reported by the Ministry of Social Development's annual [Household Incomes Report](#).

We publish many demographics, and limited regional data, but no job data is available from HES. The HES sample size is also small, and the rolling collection process can make some information dated by the time we publish results.

For the latest data, see [Household income and housing cost statistics: Year ended June 2017](#).

## Census of Populations and Dwellings

The five-yearly Census of Population and Dwellings surveys everyone in New Zealand about their income from all sources, so is not subject to the sample error inherent in sample surveys. It is able to provide data by region or industry.

The census only provides income details in band ranges or as a median based on those bands. It is not designed to be an independent measure of income, so published income data is minimal given the number of other variables it collects. Because it is run every five years, the census can become very dated between releases.

For the latest data, see the [2013 Census](#).

## Experimental Integrated Data Infrastructure (IDI) Series

This series of experimental income estimates is derived from the tax data in the IDI. One of Stats NZ's objectives is to increase the use of administrative data (data recording people's contact with public bodies and institutions) in producing statistics.

These experimental income estimates are NOT official statistics. Rather, they are published as an example of the type and quality of information about income that can currently be obtained from administrative data sources.

The series currently provides estimates of income from wages and salaries and self-employment at national, regional council, and territorial authority area level by five-year age groups and sex for the tax years 2010 to 2016. We provide median income for each year for all groups and income distribution by geographical area.

We are seeking feedback on this experimental series to support and direct the development of income measures from administrative sources.

For the latest data or to give feedback, see [Experimental estimates of income from linked administrative data](#).

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