

Labour Statistics

Concepts, Sources and Methods

2001

Dennis Trewin
Australian Statistician

AUSTRALIAN BUREAU OF STATISTICS

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PREFACE

This publication provides a comprehensive description of the concepts, sources and methods used in compiling Australian labour statistics. It also discusses the various statistical measures that are available, how they relate to each other, and the factors influencing their accuracy and reliability. The aim is to help users improve their understanding of the extensive range of labour statistics that are produced, and thereby to support better analyses and interpretations of the resulting data.

The publication updates and greatly extends the more summary information on concepts, sources and methods previously published under this catalogue number in 1986 in '*A Guide to Labour Statistics*'. Since that Guide was prepared, there have been a number of significant changes to international guidelines. These have been incorporated into this publication together with any consequent changes to Australian measurement practices.

Australian measurement practices are discussed within the context of international conventions, recommendations and guidelines. Published material of the International Labour Organisation (ILO) has been used and quoted extensively in this process. The ABS thanks the ILO for the use of this material.

I also take the opportunity to extend my thanks to the many ABS staff who have contributed to the preparation and production of this publication. In particular my thanks go to George Sarossy, a former employee of the ABS, and to Kirrilie Horswill, a current ABS employee, for their considerable efforts in preparing this publication.

From time to time, particular concepts, sources and methods used in compiling labour statistics are changed or modified in the light of reviews or other developments. The practice of advising users of these changes in the appropriate labour statistics publications and through special information papers will continue. It is also intended that the information in this publication will be updated periodically to reflect such changes and modifications.

An electronic version of this publication is also available on the ABS website, <www.abs.gov.au> (starting at the home page select: Statistics — Statistical Concepts Library — ABS Concepts, Sources and Statistical Frameworks — 6102.0).

The ABS invites comments on the usefulness of this publication as a guide to Australian labour statistics. Such feedback will help in planning the content of future issues, and the descriptive material included in regular ABS labour statistics publications. Comments should be directed to the Director, Labour Market Section, Australian Bureau of Statistics, PO Box 10, Belconnen ACT 2616.

Dennis Trewin
Australian Statistician
August 2001

CHAPTER 1

OVERVIEW OF LABOUR STATISTICS

PURPOSE

1.1 This publication provides a comprehensive account of the concepts and definitions underpinning Australian labour statistics, and the data sources and methods used in the collection and compilation of these statistics. Although the publication covers the broad range of Australian labour statistics, the focus is on the collections conducted by the Australian Bureau of Statistics (ABS). It is designed to assist users in their understanding of Australian labour statistics and thereby allow better analyses and interpretations of the resulting data.

WHAT ARE LABOUR STATISTICS?

1.2 Labour statistics measure aspects of the labour market, and are important economic and social indicators. Labour statistics provide insight into the economy and the effects of labour market policy settings, through measures of labour market demand (employment, job vacancies, labour costs) and labour market supply (unemployment, labour force participation). Labour statistics are also very much about people — their participation in the labour force, their success in finding employment, their earnings and other benefits, their type of work, and their working hours. Education and training statistics could also be included as a part of labour market statistics. Education and training is an aspect of people's preparation for the labour market, and their maintenance of skills once in the labour market. However, the wide variety of issues in this field usually causes it to be treated as a separate area of statistics; accordingly, education and training statistics have been excluded from this publication.

USES AND USERS OF LABOUR STATISTICS

1.3 Labour statistics are used by a broad audience and serve a number of purposes. Users of labour statistics include: governments and their agencies and advisers, economists, financial analysts, journalists, business people, trade unions, employer associations, students, teachers, industrial tribunals, academic researchers and lobby groups.

1.4 Labour statistics are used extensively in both economic and social analyses. They are used in the analysis, evaluation, and monitoring of: the economy; the labour market; a wide range of government policies (relating in particular to employment, income support, industrial relations); and population groups of particular concern (women, younger persons, older persons, Indigenous people, etc).

AUSTRALIAN LABOUR STATISTICS

1.5 Australian labour statistics comprise a large number of measures relating to the Australian labour market. Diagram 1.1 illustrates the range of ABS labour statistics, their sources, and broadly how they relate to the labour market.

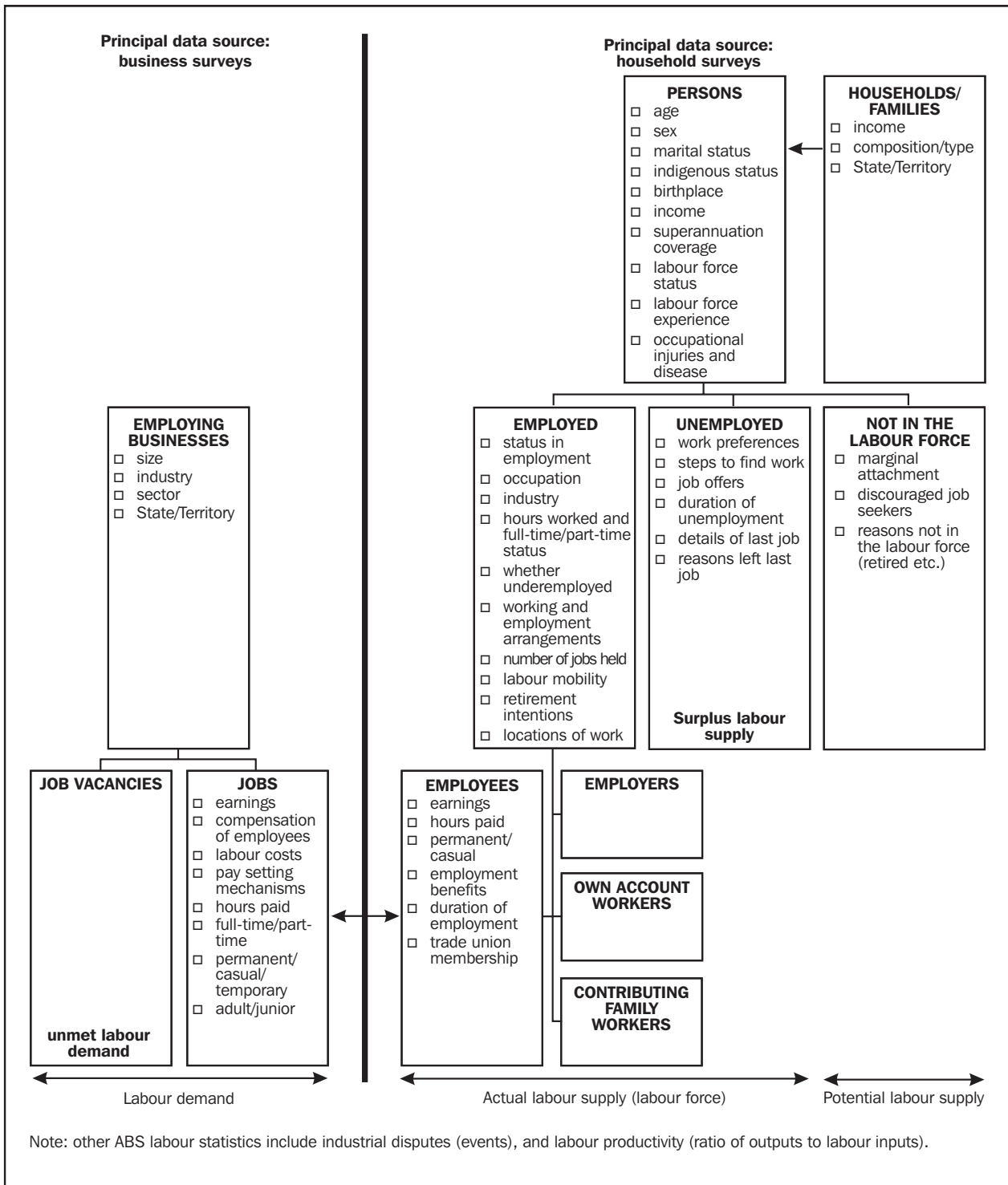
1.6 Population censuses and household surveys constitute the primary sources for labour statistics about people. In addition to information about current and previous labour force participation, information collected also includes demographic data, such as age, sex, family status and country of birth. Labour statistics collected about people provide insight into the supply of labour to the Australian labour market.

1.7 Business surveys are the primary source of data on labour costs, earnings, jobs and job vacancies, all of which provide insight into the demand for labour in the Australian labour market. Other sources of labour statistics include administrative data sets, which are the primary sources for information on occupational injury.

1.8 Australian labour statistics have a number of other features. The main ones are described below:

- Labour statistics incorporate a range of statistical or counting units, including households and families, persons, jobs, businesses, and events (such as incidence of industrial disputes and occupational injuries).
- Labour statistics contain information about a wide range of subjects — the economically active population, including statistics of employment, unemployment and underemployment; average earnings and hours of work; wage structures and distributions; labour costs; occupational injuries and disease; industrial disputes; and labour productivity.
- Labour statistics incorporate different types of estimates, such as: estimates of levels at points in time (e.g. number of unemployed in a given month); estimates of net changes in levels between points in time (e.g. month-to-month movements in unemployment); and estimates of gross changes at an individual level (e.g. flows among categories of labour force status). A number of estimates are also produced on an original, seasonally adjusted and/or trend basis.
- Australian labour statistics adhere wherever possible to international conventions, recommendations and guidelines developed and maintained by the International Labour Organisation (ILO) and the United Nations Statistical Office.
- Labour statistics are compiled and disseminated principally by the ABS, but also by other public sector agencies and some private sector organisations.

1.1 TYPES AND SOURCES OF ABS LABOUR STATISTICS



DEVELOPMENT OF LABOUR STATISTICS

Development of International Standards

1.9 The ILO was founded in 1919, at the time of the Peace Conference that followed the end of the First World War. The ILO Constitution was written by the Labour Commission, which was set up by the Peace Conference. The Commission was composed of representatives from nine countries, and was chaired by the head of the American Federation of Labour. It resulted in a tripartite organisation, bringing together representatives of governments, employers and workers in its executive bodies. The ILO is unique among world organisations in that employers' and workers' representatives have equal voice with those of governments in shaping its policies and programs. The ILO Constitution became Part XIII of the Treaty of Versailles.

1.10 The International Labour Conference meets annually. It provides an international forum for the discussion of world labour and social issues, and sets minimum international labour standards and broad policies of the ILO. Each member country has the right to send four delegates to the Conference: two from the government and one each representing workers and employers, each of whom may speak and vote independently.

1.11 The most important instruments for the work of the ILO are the International Labour Conventions and Recommendations. These are adopted by the International Labour Conference and set international labour standards. Through ratification by member States, Conventions create binding obligations to implement their provisions. Recommendations provide guidance on policy, legislation and practice. In the field of labour statistics, the Labour Statistics Convention (No. 160) was adopted by the International Labour Conference in 1985, replacing an earlier and more restricted convention regarding wages and hours of work (No. 63, 1938).

1.12 The 1985 Convention lays down principles, obligations and recommendations for the collection and publication of labour and related statistics in the fields of employment, unemployment, earnings, hours of work, wage structure and distribution, labour costs, consumer prices, household income and expenditure, occupational injuries and disease and industrial disputes. Australia ratified the 1985 Convention in 1987. Australia had not been able to ratify the earlier convention of 1938 due to its then underdeveloped statistical system.

1.13 Detailed technical guidelines on labour statistics are expressed in the form of Resolutions formally adopted by one of the ILO technical committees — the International Conference of Labour Statisticians (ICLS). The first ICLS was convened in 1923, while the latest, the sixteenth, was in 1998. ICLS Resolutions cover such matters as concepts, definitions, methodologies for measurement and data collection, classification, analysis and dissemination.

Development of International Standards *continued*

1.14 ICLS Resolutions are currently in force for: collective agreements (1926); social security statistics (1957); hours of work (1962); labour costs (1966); underemployment and underutilisation of manpower (1966); household income and expenditure (1973); an integrated system of wages statistics (1973); occupational injuries (1982); economically active population, employment, unemployment and underemployment (1982); consumer price indices (1987); the International Standard Classification of Occupations (1987); strikes and lockouts, classification of status in employment, and employment in the informal sector (1993); and employment-related income, occupational injuries, and underemployment and inadequate employment situations (1998). The ICLS Resolutions can be found on the ILO website at the following address: <<http://www.ilo.org/public/english/bureau/stat/res/index.htm>>.

1.15 Prior to the 1960s, Australia's ability to conform with the international standards was limited by the level of resources and the nature of the methodologies available to official statisticians. The introduction of direct surveys of households and employers in the 1960s provided the Commonwealth Statistician with direct control over the type and range of data collected. Over the subsequent decades Australia has made a valuable contribution to the development and revision of international standards in the course of expanding its own labour statistics system in accordance with those standards. Australia currently meets the 1985 Convention almost in its entirety.

Development of Australian Labour Statistics

1.16 Some statistics relating to wage levels, hours of work, labour organisations and unemployment were available in the separate self-governing colonies of Australia in the nineteenth century, when separate statistical bureaux were set up in the various States. However, it was only after Federation in 1901, the subsequent enactment of the Census and Statistics Act in 1905, and the establishment of the Commonwealth Bureau of Census and Statistics in 1906¹, that the ground was prepared for the compilation of uniform labour statistics for the whole country. In the first national census of 1911, information was collected on occupation, wage rates, unemployment and duration of unemployment. In the same year a Labour and Industrial Branch was set up within the Commonwealth Bureau of Census and Statistics with the responsibility for publishing a report 'Trade Unionism, Unemployment, Wages, Prices and the Cost of Housing 1891–1912'.

1 In 1974 the Commonwealth Bureau of Census and Statistics was abolished and replaced by the Australian Bureau of Statistics.

1.17 Responsibility shortly thereafter extended into the fields of industrial disputes, trade unions and industrial accidents. This established the pattern of labour statistics that was to be followed more or less unchanged until the early 1960s. The principal sources of information available during this era were:

- population censuses — undertaken in 1911, 1921, 1933, 1947 and 1954;
- trade unions — details of wage rates, numbers of unemployed union members and industrial disputes; and
- administrative sources — details of awards, determinations, industrial agreements and industrial accidents provided in State and Federal statutory reports were all used in the production of labour statistics.

1.18 The first regular statistical measure of 'employment' in Australia dates from the introduction of Payroll Tax in 1941. This provided an administrative source of information suitable for deriving civilian employment by industry for each State and Australia, and average weekly earnings for employed wage and salary earners.

1.19 The Commonwealth Employment Service was established in 1947 to assist people seeking employment to obtain jobs best suited to their qualifications, skills, training and experience, and to assist employers seeking additional labour to obtain that best suited to their needs. As a by-product, the Commonwealth Employment Service produced measures of unemployed persons awaiting placement, as well as measures of vacancies notified by employers. The unemployment measure of the Commonwealth Employment Service remained the official measure of unemployment in Australia until the 1970s. Since one of the principal requirements for qualifying for unemployment benefits was registration with the Commonwealth Employment Service, a high degree of coverage resulted.

1.20 The integration of the separate State Statistics Bureaux with the Commonwealth Bureau in the late 1950s (though the Tasmanian integration agreement had been reached in 1924) allowed the resultant statistical organisation to place more emphasis on direct collections (more in line with international practices) and less emphasis on administrative by-product data.

1.21 The Commonwealth Bureau of Census and Statistics introduced household surveys in 1960 primarily to provide more detailed and comprehensive measures of the labour force than could be provided from administrative data sources (such as the Commonwealth Employment Service series). Initially the program of household surveys comprised only the Labour Force Survey, which was conducted in capital cities and on a quarterly basis. In 1964 the Labour Force Survey was extended to the whole of Australia, and then in 1978 it was expanded to a monthly frequency, when the Commonwealth Government decreed that it would provide the official measures for employment and unemployment. A supplementary topic was included with the Labour

Force Survey for the first time in November 1961, and this concept has been gradually extended so that now the majority of months in each year include supplementary questions on one or more topics. In 1994 the Labour Force Survey also became the vehicle for a continuous survey of income and housing costs.

1.22 In the 1980s the program of household surveys was further expanded to include a program of Special Social Surveys. These surveys collect in-depth information about a population group or subject area of interest, as well as a range of labour force data for the population in scope. In recent years two Special Social Surveys have focussed on labour topics — the longitudinal Survey of Employment and Unemployment Patterns (1994–1997), and the Survey of Employment Arrangements and Superannuation (2000). In 1993 the quarterly Population Survey Monitor was introduced. This survey vehicle was designed to collect small amounts of data about simple topics at a reasonable cost, and to output results in a timely manner. It was discontinued in 2000.

1.23 In addition to household surveys, the Commonwealth Bureau of Census and Statistics also introduced labour employer surveys in the 1960s. The program of employer surveys initially comprised an annual survey of employing businesses which was designed to supplement data being derived from payroll tax records to produce a quarterly average weekly earnings series. Conducted each October, the survey collected detailed dissections of earnings and hours paid for, for various categories of jobs (adult and junior, full-time and part-time, managerial and non-managerial) for both males and females. The quarterly series of average weekly earnings provided limited information about the composition of earnings, and no information on occupational earnings or the distribution of earnings. To supplement the quarterly series, a more extensive survey producing this information was introduced in 1974. Currently conducted biennially, this survey is known as the Survey of Employee Earnings and Hours. A survey of job vacancies was also launched in 1974.

1.24 By 1981 it was recognised that the payroll tax series used to produce the average weekly earnings and civilian employees series had deteriorated significantly in terms of coverage due to increasing payroll tax exemptions. Both series were discontinued and replaced with new series based on two new quarterly surveys of employers — the Survey of Average Weekly Earnings (introduced in 1981 and subsequently modified in 1983), and the Survey of Employment and Earnings (introduced in 1983). The mid 1980s also saw the introduction of an irregular survey of labour costs in 1985–86, which in the early 1990s was supplemented by a series of surveys on training expenditure (1989, 1990, 1993, and 1996). In 1997 the quarterly Wage Cost Index was introduced.

1.25 The expansion of the labour statistics program over a large number of years has resulted in the ABS currently producing a wide range of labour statistics. Population censuses and household surveys constitute the primary sources of ABS labour statistics on persons and households. Business surveys are the primary sources of data on labour costs, earnings, employee jobs, job vacancies and industrial disputes. Administrative data are the primary source of data on occupational injury and disease. Other data, such as labour productivity data, are derived using a number of ABS sources.

1.26 There are a number of ABS collections that produce labour statistics but which do not fall within the ABS labour statistics program, as their primary purpose is not to produce labour market data. These collections nevertheless represent important sources of labour statistics and include various household, industry, and activity specific collections.

HOUSEHOLD SURVEYS

1.27 Household surveys falling within the labour statistics program include:

- the monthly Labour Force Survey and its labour related supplementary topics:
 - Career Experience;
 - Employee Earnings, Benefits and Trade Union Membership;
 - Forms of Employment;
 - Job Search Experience of Unemployed Persons;
 - Labour Force Experience;
 - Labour Force Status and Other Characteristics of Migrants;
 - Labour Mobility;
 - Locations of Work;
 - Multiple Job Holders;
 - Persons Not In the Labour Force;
 - Retirement and Retirement Intentions;
 - Retrenchment and Redundancy;
 - Successful and Unsuccessful Job Search Experience;
 - Underemployed Workers;
 - Work Related Injuries; and
 - Working Arrangements.
- ad hoc Special Social Surveys collecting information on aspects of the labour market, including the Survey of Employment Arrangements and Superannuation, and the Survey of Employment and Unemployment Patterns.

HOUSEHOLD SURVEYS *continued*

1.28 From 2001 the ABS household surveys program is being expanded to include a General Social Survey, an Indigenous Social Survey, and a Multi-purpose Household Survey. While the additional components do not fall specifically within the labour statistics program, they will yield a variety of labour statistics about the Australian population.

1.29 The General Social Survey will be conducted every three years and will collect broad information across all areas of social concern including data on the labour force characteristics of the population. Every six years this survey will be accompanied by the Indigenous Social Survey. The Multi-purpose Household Survey is a new, flexible multi-topic survey vehicle able to collect data and produce statistical output in a timely fashion. To be conducted two years in three in those years when the General Social Survey is not in the field, it will also collect data on a broad range of topics including a minimum set of data on labour force characteristics.

BUSINESS SURVEYS

1.30 Business surveys falling within the labour statistics program collect information from employing businesses on a range of topics. The program includes:

- Survey of Employment and Earnings;
- Average Weekly Earnings Survey;
- Employee Earnings and Hours Survey;
- Survey of Job Vacancies;
- Labour Costs Survey;
- Industrial Disputes Collection; and
- Wage Cost Index.

DISSEMINATION OF ABS LABOUR STATISTICS

1.31 The release practices for ABS labour statistics fall within the general release practices for all ABS data. Section 12(1) of the *Census and Statistics Act 1905* requires the Statistician to compile and analyse information collected under the Act and to publish and disseminate the results of any compilations and analyses, or abstracts of those results. Chapter 16 contains further detail on: ABS objectives and practices (e.g. confidentiality provisions) in the dissemination of statistics; and media used in the release of ABS statistics. The Appendix contains further detail on ICLS guidelines and ABS practice on the dissemination of labour statistics.

STRUCTURE OF THE PUBLICATION

1.32 The remaining chapters in this publication are organised into two parts. The first part (concepts and sources) explains the concepts that underlie labour statistics, outlines the major classifications used in labour statistics, and overviews the sources for a number of key labour statistics. The second part (methods) focuses on the various labour statistics surveys, describing the data collected in each, methodologies used, and changes to collections over time.

1.33 The concepts and sources part of the publication (Chapters 2 to 15) is organised into the following broad topics: the currently economically active population (Chapter 2); employment (Chapter 3); employment measures and classifications (Chapter 4); underemployment (Chapter 5); unemployment (Chapter 6); not in the labour force (Chapter 7); usually economically active population (Chapter 8); other measures of the economically active population (Chapter 9); job vacancies (Chapter 10); earnings, employee compensation, labour costs and related statistics (Chapter 11); industrial relations (Chapter 12); labour productivity (Chapter 13); occupational injuries and diseases (Chapter 14); and other classifications used in labour statistics (Chapter 15). Each chapter explains in detail: the concepts underlying the statistical measures discussed including international recommendations and guidelines where they apply; the definitions used in Australian measures and how they compare with the international recommendations and guidelines; and any differences across the various data sources.

1.34 The methods part of the publication (Chapters 16 to 31) describes the output and methodology of key ABS labour statistics surveys. Chapter 16 provides a brief overview of key aspects of ABS survey methodology, and explains concepts and terms used in subsequent chapters. The remaining chapters are organised into two sections:

- ABS household surveys, including the Census of Population and Housing, the Labour Force Survey and its labour-related supplementary topics, and a number of Special Social Surveys, presented in Chapters 17 to 22;
- labour-related ABS business surveys, presented in Chapters 23 to 31.

Each section begins with a chapter outlining aspects of survey methodology which are common to the type of survey being discussed (i.e. household or business survey).

1.35 An Appendix supplements the information presented in the main part of this publication, by contrasting ICLS guidelines on the dissemination of labour statistics, with ABS practice and policy for the dissemination of labour statistics.

PREVIOUS AND RELATED
PUBLICATIONS

1.36 This is the first comprehensive and detailed publication produced by the ABS on concepts, sources and methods in the field of labour statistics. As indicated above, a considerably less detailed publication examining concepts and sources of labour statistics was released by the ABS in 1986 under the title *A Guide to Labour Statistics* (Cat. no. 6102.0).

1.37 Summary information on the collection methodology, survey definitions and conceptual frameworks are contained in the explanatory notes of every ABS statistical publication.

1.38 The ABS also periodically releases information papers, occasional papers etc. on various labour statistics and their associated sources, concepts, definitions and collection methodologies.

CHAPTER 2

CURRENTLY ECONOMICALLY ACTIVE POPULATION

INTRODUCTION

2.1 Labour statistics comprise a system of interrelated statistics on the economic activity of the population. This chapter discusses the concepts underlying measures of the economically active population, including economic activity, the population, and the labour force framework. It also contrasts the various measures of the economically active population collected in ABS household surveys.

CONCEPTS AND INTERNATIONAL GUIDELINES

2.2 The international standards and guidelines for measures of the economically active population are set out in the ILO Convention 160 and the ICLS Resolution 170 of 1982. The economically active population is seen as furnishing the supply of labour for economic production. The economically active population is defined to comprise all persons who, during a specified time reference period, contribute to or are available to contribute to the production of economic goods and services as defined by the United Nations System of National Accounts (SNA). The ILO, in its manual *'Surveys of Economically Active Population, Employment, Unemployment and Underemployment'*, discusses the rationale for the concepts underlying the standard measures. The manual also provides guidelines on methods for their collection, by means of population censuses and surveys. The guidelines suggest that survey measures of the economically active population involve three basic considerations:

- the scope of the population to be covered;
- the scope of economic activity; and
- a measurement framework for classifying the in-scope population according to their activities.

Scope of the Population

2.3 The economically active population should, in theory, include the entire population of the country who are engaged in economic activity as defined. In practice, restrictions are sometimes imposed both for legal and practical reasons (such as relevance of the measure) in a household survey context. The international standards recognise that business surveys and administrative records may be used to supplement household survey measures in order to arrive at the integrated and comprehensive measure envisaged by the labour force framework. Commonly, surveys aimed at measuring the economically active population are restricted to the civilian population (other than those living in institutions) above a specified minimum age.

2.4 The international standards and guidelines both recognise the need to exclude persons below a certain age from the measures, without specifying a particular age limit. The responsibility for setting such limits lies with individual countries according to conditions prevailing in each country such as legislation governing the minimum school leaving age, labour laws setting the minimum age for entering paid employment, the extent of the contribution to economic activity by young people, and the cost and feasibility of accurately measuring this contribution in household surveys. The imposition of a maximum age limit is not a feature of the international guidelines but, for practical reasons, some countries do use a maximum age limit. The international guidelines also recognise the possible need, in the survey context, to exclude other population groups such as persons living permanently or semi-permanently in institutions.

2.5 The international standards require that members of the armed forces be classified as employed, and recommend that, for analytical purposes, the economically active population be divided into two segments: the armed forces and the economically active civilian population. The guidelines recognise that there may be difficulties in obtaining measures of the armed forces from labour force surveys, and that separate administrative counts may be necessary.

2.6 The concept of economic activity underlying measures of the economically active population is compatible with the concept of economic activity used in the SNA. The concept of economic activity in the SNA is defined in terms of the production of goods and services falling within the SNA production boundary. In the SNA, production is viewed as a physical process in which labour and assets are used to transform inputs of goods and services into outputs of other goods and services. Economic activity covers all market production and certain types of non-market production including the production and processing of primary produce by households for their own consumption, the construction of dwellings and structures for own use, and the production of fixed assets¹ for own use.

2.7 While the SNA definition of the production of goods and services covers a wide range of activities, many other activities still remain outside its scope. Prominent are the production of domestic and personal services for consumption within the same household such as the preparation of meals, care and training of children, cleaning, and minor repairs. The rationale given by the authors of the SNA for their exclusion is the difficulty in making economically meaningful estimates of their values, and the adverse effects their inclusion would have on the usefulness of the accounts for policy purposes and analysis of inflation and unemployment. The extension of the production boundary to include the production of own-account household services would result in virtually the whole adult population being defined as 'economically active', unemployment would cease to exist, and employment statistics would become meaningless (SNA93, 6.22).

1 Fixed assets are defined in the SNA as produced assets that are themselves used repeatedly, or continuously, in processes of production for more than one year (SNA93, 10.7).

2.8 The SNA definition of production also excludes voluntary unpaid work associated with community charity and volunteer work. Services of this type include a wide range of welfare, sport, education, training, rescue and fire services. In general, the purpose of voluntary work is to provide a service to others which would not otherwise be available. Persons engaged in voluntary work do, however, contribute to national output and welfare. In recognition of this, the international guidelines contain a provision to identify persons engaged in voluntary work, as well as persons engaged in unpaid domestic activities falling outside the boundary of economic activity, and to classify them separately among the population not economically active (ICLS 1982). In addition, SNA93 recommends that the boundary of production could be extended by incorporating unpaid household work and volunteer and community work in so-called 'satellite accounts' (SNA93 21.120). These are accounting statements which are separate from, but consistent with, the existing national accounts.

CURRENT AND USUAL ECONOMIC ACTIVITY

2.9 The international standards identify two measures of the economically active population: the currently active population measured in relation to a short reference period such as one week or one day; and the usually active population measured in relation to a long reference period such as one year.

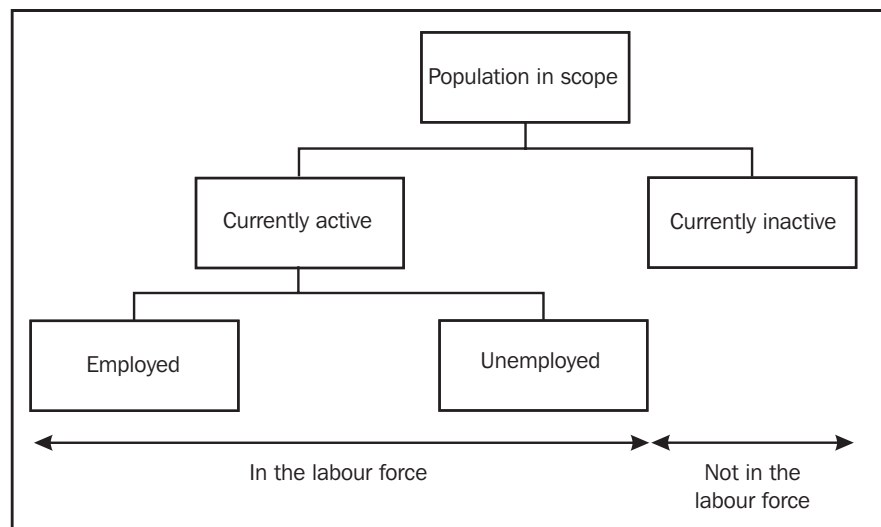
2.10 The currently active measure provides a snapshot of the economically active population at a particular point in time. This current stock measure of the labour supply, collected at sufficiently frequent intervals, can contribute to the formation of national accounts data (particularly relating to compensation of employees), while monitoring labour market trends in general (and employment and unemployment levels in particular).

2.11 The usually active framework was introduced as an international standard in 1982, to be a framework for the collection of data reflecting the dominant pattern of activities over a lengthy period. The use of a long reference period can provide more representative estimates of the economically active population where economic activity has significant seasonal variation. Further, as it permits collection of information on not only the main activity of individuals over the year but also their other activities (e.g. spells of employment and unemployment), it is useful for analysis of employment and income.

2.12 The currently economically active population is also referred to as the labour force. The labour force is conceptually equivalent to the labour supply available for the production of economic goods and services in a given period. The labour force is the most widely used measure of the economically active population. The term 'labour force' as defined in the international standards is associated with a particular approach to the measurement of employment and unemployment. Essentially this approach is the categorisation of persons according to their activities during a short reference period by using a specific set of priority rules.

2.13 The labour force framework classifies the in-scope population into three mutually exclusive categories, at a given moment in time: employed; unemployed; and not in the labour force. The employed and unemployed categories together make up the labour force which gives a measure of the number of persons contributing to, or willing to contribute to, the supply of labour at that time. The third category (not in the labour force) represents the currently inactive population. These concepts are represented in diagram 2.1.

2.1 THE LABOUR FORCE FRAMEWORK



2.14 Embedded in the labour force framework are rules for sorting the population into the three basic categories. These rules are applied in population surveys through three steps. The first involves identifying the in-scope population. The second involves identifying, within the in-scope population, those persons who are engaged in economic activity as defined either at work or temporarily absent from work. The third step involves identifying, among the remaining persons, those persons who were actively seeking and available for work, or who were not seeking work because they were waiting to commence a job that they had already found. The labour force framework classifies persons identified in the second step as employed, and those identified in the third step as unemployed. The residual population is classified as 'not in the labour force'.

2.15 The rules contained within the labour force framework have the following features:

- the activity principle, which is used to classify the population into one of the three basic categories in the labour force framework;
- a set of priority rules, which ensure that each person is classified into only one of the three basic categories in the labour force framework; and
- a short reference period to reflect the labour supply situation at a specified moment in time.

2.16 The rationale for the treatment of persons temporarily absent from work, and of persons waiting to start a job they have already found, stems directly from the labour supply perspective, and is discussed further in Chapter 3 and Chapter 6.

ACTIVITY PRINCIPLE

2.17 The activity principle of the labour force framework requires that a person's labour force status be determined by what they were actually doing in the reference period, in terms of their engagement in, or capacity to engage in economic activity. Commonly, surveys seek responses to a series of activity-based questions, which reflect both the reference period and the priority rules. The purpose of the activity principle is to provide an objective measure of the labour force, seen as the current labour supply.

PRIORITY RULES

2.18 Under the priority rules, precedence is given to employment over unemployment and to unemployment over economic inactivity. To ensure that all economic activity is covered, a practical minimum quantity of work is required (one hour or more in the short reference period); this also ensures that only those completely without work can be classified as unemployed. Of those completely without work, the unemployed must have taken active steps to obtain work and be currently available for work. The employed, the unemployed and the inactive are thus mutually exclusive and exhaustive components of the population.

2.19 Together, the priority rules and the activity principle provide unambiguous labour force measures, regardless of other activities that may be undertaken at the same time. For example, a person at work may also be actively seeking other employment; they are currently contributing to economic production and are therefore classed as employed, notwithstanding their job search. Similarly, a person working part-time while undertaking full-time study will be classed as employed. Likewise, a full-time student who is not working and is actively seeking and available for work will be classed as unemployed.

REFERENCE PERIOD

2.20 The concepts of employed and unemployed need to relate to short time periods if meaningful measures are to be produced of current levels and changes in employment and unemployment. Two short reference periods are presented in the international standards as suitable for the purpose: one week; and one day. With employment and unemployment seen as stock concepts, the statistical measures would ideally be made at a precise point in time. However, the closest practical time-span which could represent a single point in time is one day or one week. The question of choice between a one week and a one day reference period for various labour statistics measures is not a recent problem but one which has been the subject of much consideration and debate by labour statisticians for over 50 years.

2.21 As a result of the application of the priority rule (under which economic activity, however little, has precedence over other, non-economic, activities), the labour force measured using a one week reference period must always be equal to or greater than the labour force measured using a single day of that reference week. The difference between the two measures depends on the relative number of people who change their activity status during a week. If there are no variations during the week, the two measures will produce identical results. However, the likelihood is that the differences will be fairly small, because, in the course of a week, the movement of people from unemployed to employed and from employed to unemployed is commonly more likely than people changing their status from inside the labour force to outside the labour force.

2.22 The solution adopted in the international standards aims to satisfy different conditions which exist among countries. In countries such as Australia, where regular full-time employment is dominant, similar average results will arise from the use of a reference period of a week or a single day; however, the one week reference period is likely to provide results of lower variance and is therefore preferred. Conversely, where people employed in casual, part-time, or temporary jobs constitute a significant proportion of total employment, the use of a one day reference period will provide a more precise measure of the employment and unemployment than that using a reference period of a week.

EXTENSIONS TO THE LABOUR FORCE FRAMEWORK

2.23 The basic framework as outlined above can be extended to identify various sub-groups of employed (e.g. underemployed, full-time and part-time workers, persons in paid employment and self employment jobs), unemployed (e.g. long-term unemployed, youth), and persons not in the labour force (e.g. persons marginally attached to the labour force, discouraged job seekers). Extensions to the basic labour force framework are discussed in detail in subsequent chapters.

DEFINITIONS USED IN ABS SURVEYS

2.24 The ABS produces estimates of the currently economically active population in a number of household surveys. Definitions of the currently economically active population used by the ABS align closely with international standards and guidelines.

2.25 The ABS uses the labour force framework as outlined above for classifying the Australian population according to their labour force status (employed, unemployed or not in the labour force). Labour force status is derived by asking a series of questions about a person's work-related activities and availability for work in the reference period. The criteria for determining a person's labour force status are (broadly) as follows:

- whether a person has work (i.e. economic work, including production and processing of primary products for own consumption, own-account construction and other production of fixed assets for own use, but excluding unpaid activities such as unpaid domestic work and volunteer community services); and
- whether those who do not have work are:
 - actively looking for work; and
 - available to start work.

2.26 The determination of labour force status from these criteria is as follows:

- a person who meets the first criterion is classified as employed and hence in the labour force (currently economically active);
- a person who meets all of the subsequent criteria (i.e. without work, actively looking for work, and available to start work) is classified as unemployed and hence in the labour force (currently economically active); and
- a person not classified as employed or unemployed is classified as not in the labour force (not currently economically active).

2.27 Labour force status is determined in a number of ABS household surveys. The Labour Force Survey is designed to produce precise estimates of employment and unemployment, and the definitions used align closely with international standards and guidelines. In other household surveys where labour force status is used as an explanatory or classificatory variable, it is generally not practical to determine employment and unemployment as precisely as in the Labour Force Survey. While aggregates produced from these other surveys are designed to be consistent with the international concepts of employment and unemployment, the treatment of certain small population groups is simpler than that used in the Labour Force Survey. Two alternative questionnaire modules are used to determine labour force status in these surveys: a reduced questionnaire module (for use in personal interviews), and a self-enumerated questionnaire module.

LABOUR FORCE SURVEY

2.28 Estimates of the currently economically active population produced from the Labour Force Survey align closely with the international concepts and definitions outlined above. Discussed below is the scope of the population for which estimates are made, and the definition of labour force status used in the Labour Force Survey.

Scope

2.29 The scope of the population for which estimates are made is confined to the civilian, 'usually resident' population aged 15 years and over. The 'usually resident' population also excludes non-Australian defence personnel (and their dependants) stationed in Australia, diplomatic personnel of overseas governments, and persons who are usually resident in other countries and are temporarily² residing in Australia.

2.30 Practical collection difficulties and the low numbers involved have resulted in the exclusion of Australian defence personnel from the Labour Force Survey. Where an estimate is required of the total labour force, for example in international comparisons collated by the ILO, survey estimates are supplemented by administrative counts of the defence forces.

2.31 An age limit of 15 years and over is used in the Labour Force Survey. Australian labour and compulsory schooling legislation have resulted in low numbers of young people being involved in economic activity. While such legislation varies from State to State, the net result is that age 15 is the lowest practical limit above compulsory schooling age at which it is feasible and cost-effective to measure the participation of young people in economic activity with acceptable accuracy.

Labour force status

2.32 The definitions of 'employed' and 'unemployed' used in the Labour Force Survey align closely with the international concepts and definitions outlined above.

2.33 *Employed* are defined as persons aged 15 and over who, during the reference week:

- worked for one hour or more for pay, profit, commission or payment in kind, in a job or business or on a farm (comprising employees, employers and own account workers); or
- worked for one hour or more without pay in a family business or on a farm (i.e. contributing family workers); or

² Persons who are usually resident in other countries are considered to be temporarily residing in Australia if the total duration of their stay in Australia is less than 12 months.

Labour force status continued

- were employees who had a job but were not at work and were:
 - away from work for less than four weeks up to the end of the reference week; or
 - away from work for more than four weeks up to the end of the reference week and received pay for some or all of the four week period to the end of the reference week; or
 - away from work as a standard work or shift arrangement; or
 - on strike or locked out; or
 - on workers' compensation and expected to be returning to their job; or
- were employers or own account workers, who had a job, business or farm, but were not at work.

2.34 *Unemployed* are defined as persons aged 15 and over who were not employed during the reference week, and:

- had actively looked for full-time or part-time work at any time in the four weeks up to the end of the reference week and:
 - were available for work in the reference week; or
 - were waiting to start a new job within four weeks from the end of the reference week, and could have started in the reference week if the job had been available then.

2.35 *Persons not in the labour force* are defined as persons aged 15 and over who were not employed or unemployed, as defined. They include: persons who were keeping house (unpaid), retired, voluntarily inactive, or permanently unable to work; persons in institutions (hospitals, gaols, sanatoriums, etc.); members of contemplative religious orders; and persons whose only activity during the reference week was jury service or unpaid voluntary work for a charitable organisation.

2.36 The section below discusses the treatment in the Labour Force Survey of particular groups of people as employed, unemployed or not in the labour force. These groups include: participants in labour market programs (such as participants in 'Work for the Dole' and 'Community Development Employment Projects' schemes); students; contributing family workers; and future starters.

Participants in labour market programs

2.37 A wide range of labour market programs is provided by governments. These programs aim to: assist the efficient functioning of the labour market; encourage and assist individuals and industry to improve the productivity and skills of the labour force; and improve the skills and employment prospects of people disadvantaged in the labour market. Programs implemented by governments take various forms including wage subsidies to employers, vocational training, and paid and unpaid work experience.

2.38 The Labour Force Survey does not ask any questions directly related to participation in labour market programs. Such information is neither necessary nor sufficient to determine labour force status. Individual participants are counted as employed, unemployed or not in the labour force according to economic (work-related) activity undertaken in the survey reference period. The labour force measure, based on economic activity tests, is thus consistent over time and independent of administrative changes to labour market programs or their eligibility rules.

2.39 The treatment of participants in various types of labour market programs is discussed below.

2.40 *Participants in programs involving a form of wages subsidy paid directly to employers* — persons working for pay in a job for which their employer receives a government subsidy are ‘working in a job’ (employed) regardless of the subsidy (about which the person may have no knowledge).

2.41 *Participants in programs involving training but no subsidy (paid either to employers or participants)* — if the participant worked for pay in a job (or was temporarily away from work) during the reference week they should be classified as *employed*. If they did no paid work (and were not temporarily away from work) they are classified as either *unemployed* or *not in the labour force* depending on whether they actively looked for, and were available to commence work, in the survey reference period.

2.42 *Persons on a ‘Work for the Dole’ scheme* — ‘Work for the Dole’ is a government program aimed at providing work experience to improve the skills, and future (paid) employment prospects, of people registered for unemployment benefits. Under ‘Work for the Dole’ schemes, to maintain their eligibility for benefits, persons are required to work on not-for-profit community-based projects for a number of hours per week.

2.43 Superficially, such persons might be regarded as ‘employed’ as they are working for one hour or more and receive a payment. However, they are not paid for their work by the organisations undertaking the community projects. The participants are receiving only their unemployment benefit entitlement³, paid directly by the administering government agency. As the community organisations do not have employer/employee relationships with the scheme participants, activity in a ‘Work for the Dole’ scheme is considered to be unpaid work.

³ Plus an allowance to cover expenses associated with participation, such as transport, meals and so on.

Participants in labour market programs continued

2.44 Accordingly, the labour force status of persons participating in 'Work for the Dole' schemes is determined according to economic (work-related) activity undertaken in the survey reference period.

2.45 *Community Development Employment Projects scheme* — this scheme of the Federal Government provides local employment opportunities for Aboriginal and Torres Strait Islander communities in remote, isolated, rural and urban areas. Under the scheme, Indigenous communities and organisations can receive a grant, similar in value to the collective unemployment benefit entitlements of participating community members, to undertake a wide range of community development projects. Individuals can choose whether or not to participate in the scheme. Participants forgo their unemployment benefits in exchange for paid employment in the scheme. The work in which they might engage is determined by the community or organisation, and includes activities such as housing repairs and maintenance, artefact production, road works, market gardening, fishing and other business and cultural activities.

2.46 Under the Community Development Employment Projects scheme the community meets all legal responsibilities to its workers including the provision of award wages and conditions, workers' compensation insurance, and income tax liabilities. Accordingly, an employment relationship is deemed to exist between the community (employer) and the members of the community undertaking work (employees). Participation in the scheme is considered as engagement in a paid employment job, and participants are classified as employed.

Students

2.47 Persons engaged in full-time or part-time study who satisfy the criteria for classification as employed are treated no differently to any other groups in the population, and their labour force status is determined according to economic (work-related) activity undertaken in the survey reference period.

Contributing family workers

2.48 Persons working without pay in an economic enterprise operated by a related person are termed 'contributing family workers'. They are classified as 'employed' if they worked one hour or more in the reference week, and as 'unemployed' or 'not in the labour force' if they did not work during the reference week.

2.49 Although ILO guidelines indicate that an unpaid family worker is a person working without pay in an economic enterprise operated by a related person living in the same household⁴, in Australia there is no requirement for the related person to be living in the *same* household.

⁴ Hussmanns, R., Mehran, F., Verma, V., Surveys of economically active population, employment, unemployment and underemployment: An ILO manual on concepts and methods, International Labour Office, Geneva 1990.

Future starters

2.50 Future starters are those persons who were not employed during the reference week, and were waiting to start a job within four weeks from the end of the reference week, and could have started in the reference week if the job had been available then.

2.51 The current Labour Force Survey definition of unemployed only includes the subset of future starters who had actively looked for work in the four weeks to the end of the reference week (see paragraph 2.34). However, ILO guidelines do not require future starters to be actively looking for work in order to be classified as unemployed. Hence, the current Labour Force Survey treatment of future starters is not fully consistent with the ILO standards because the precondition of active job search is not waived, with the result that some future starters are defined as 'not in the labour force'.

OTHER ABS HOUSEHOLD SURVEYS

2.52 Most other ABS household surveys use one of the two alternative questionnaire modules (the reduced questionnaire module used for personal interviews, or the self-enumerated questionnaire module) to produce estimates of the currently economically active population. While these modules are designed to be consistent with the international guidelines, there are some differences between estimates produced from the Labour Force Survey and those produced from surveys using these modules. These differences are due to differences in survey scope, and in the definitions of employment and unemployment used.

Scope

2.53 The scope of the survey population varies across other household surveys. While it is sometimes broader than that used in the Labour Force Survey, it is often narrower. All ABS household surveys are restricted to the usually resident population but, unlike the Labour Force Survey, other household surveys may not be restricted to the civilian population, nor only to persons aged 15 years and over (for example the scope of the Census of Population and Housing includes all the usually resident population). However, estimates of labour force status from these surveys are generally only produced for persons aged 15 years and over, or for persons aged between 15 years and some upper age cutoff. Some household surveys exclude persons living in special dwellings⁵ from scope, and unlike the Labour Force Survey may therefore exclude various institutionalised and other persons. Some other household surveys are restricted to subpopulations such as employees, or persons not in the labour force.

5 'Special dwellings' is an ABS term used predominantly in sample design for household surveys. The term is used to describe establishments which provide predominantly short-term accommodation for communal or group living and often provide common eating facilities. They include hotels, motels, hostels, hospitals, religious institutions providing accommodation, educational institutions providing accommodation, prisons, boarding houses, and short-stay caravan parks. Some special dwellings are designed for a particular purpose (e.g. hospitals) and, as such, provide accommodation for specific groups of people. For further information on special dwellings and ABS household survey design see Chapter 17.

Labour force status

2.54 In comparison with the estimates of labour force aggregates from the Labour Force Survey, the reduced questionnaire module recommended for use in personal interviews results in higher estimates of employed, lower estimates of unemployed, and higher estimates of persons not in the labour force. This arises from the simplified treatment of certain categories of persons:

- the reduced questionnaire module for personal interviews does not ask respondents who were not available to start work the reasons they were not available during the reference week. Therefore, the reduced questionnaire module does not identify persons who looked for work in the four weeks to the end of the reference week, but were not available to start work in the reference week because they were waiting to start a new job within four weeks from the end of the reference week (and could have started in the reference week if the job had been available then). Using the reduced questionnaire module such persons are classified as not in the labour force rather than as unemployed (about 1% of unemployed); and
- in the Labour Force Survey, persons on workers' compensation 'last week' and not returning (or who do not know if they will be returning) to work, and persons away from work for four weeks or more without pay, are classified as either unemployed or not in the labour force. Where the reduced questionnaire module is used, all persons absent from work, but who usually work one hour or more a week, are classified as employed (about 0.1% of employed).

Most Special Social Surveys use the reduced questionnaire module for personal interviews, to determine labour force status.

2.55 The self-enumerated questionnaire module also produces different estimates of employment, unemployment and not in the labour force, compared with the Labour Force Survey questionnaire. Some differences result from the shortened set of questions which, like the questions recommended for use in personal interview, cannot determine labour force status as precisely as the Labour Force Survey does. Other differences result from the self-enumerated nature of the questions and the inevitable differences in interpretation among respondents. As a result, labour force status from the self-enumerated questionnaire module is best used as an explanatory or classificatory variable to explain other phenomena, rather than for detailed analysis of the labour force itself. The Census of Population and Housing uses the self-enumerated questionnaire module.

DATA SOURCES

2.56 Estimates of the currently economically active population are available from:

- the Labour Force Survey;
- the Census of Population and Housing; and
- Special Social Surveys.

Labour Force Survey

2.57 The Labour Force Survey is the official source for Australian employment and unemployment statistics. It produces estimates of the currently economically active population (labour force) according to the concepts and definitions outlined above (paragraphs 2.28–2.51). The population in scope for the Labour Force Survey is the civilian, usually resident, population aged 15 years and over. Estimates from the Labour Force Survey are available by State/Territory, capital city/rest of State, and 67 sub-State regions (see Chapter 15 for more information on geographic classifications available from ABS household surveys). For more detail on the content and methodology of the Labour Force Survey see Chapter 19.

Census of Population and Housing

2.58 The Census of Population and Housing uses the self-enumerated questionnaire module to produce aggregates of labour force status consistent with the international standards. However, because the self-enumerated questionnaire module uses a limited set of questions to determine labour force status, the results are not strictly comparable with those produced from other surveys (see paragraph 2.55). For these reasons, labour force status aggregates from the Census should be used with caution in analyses where labour force activities are a major focus. When comparing aggregates of labour force status from the Census of Population and Housing with aggregates from other surveys, users should also note differences in scope and methodologies across the surveys. For example the scope of the Census of Population and Housing, in including all the usually resident population (e.g. permanent defence forces as well as the civilian population), is less restrictive than that of the Labour Force Survey. Estimates from the Census are available down to the statistical local area level⁶. Refer to Chapter 18 for further information on the Census of Population and Housing.

Special Social Surveys

2.59 Most Special Social Surveys use the reduced questionnaire module for personal interviews to produce aggregates of labour force status consistent with international standards. However, because the reduced questionnaire module uses fewer questions to determine labour force status, the results are not strictly comparable with those produced from the Labour Force Survey (see paragraph 2.54). When comparing aggregates of labour force status from Special Social Surveys with aggregates from other surveys, users should also note differences in scope and methodologies across the surveys.

6 Statistical local areas (SLAs) consist of one or more Census collection districts. In aggregate, SLAs cover the whole of Australia without gaps or overlaps. An SLA consists of a single local government area, or part thereof, or any unincorporated area. For further information refer to Chapter 15.

Special Social Surveys
continued

2.60 The labour-related Special Social Surveys, namely the Survey of Employment and Unemployment Patterns (Chapter 22) and the Survey of Employment Arrangements and Superannuation (Chapter 21), both produced aggregates of labour force status. Unlike most Special Social Surveys, neither of these surveys used the reduced questionnaire module to determine labour force status. Instead both surveys used questions asked in the Labour Force Survey to determine labour force status. However, the questions used in the Survey of Employment Arrangements and Superannuation were modified slightly from those used in the Labour Force Survey and collected information about two jobs where appropriate. For more information on these surveys please refer to the chapters listed above.

2.61 The Time Use Survey provides information on the daily activity patterns of people in Australia. It provides information about patterns of paid work and unpaid household and community work. The ABS has used data from the Time Use Survey to estimate the value of unpaid work falling outside conventional definitions of economic production (see paragraph 2.8). These estimates comprise unpaid household work, volunteer work and community work. For further details on the Time Use Survey see *How Australians Use Their Time 1997* (Cat. no. 4153.0). For further information on ABS estimates of unpaid household work see *Unpaid Work and the Australian Economy 1997* (Cat. no. 5240.0).

MEASURES OF THE
CURRENTLY ECONOMICALLY
ACTIVE POPULATION

2.62 Measures of the currently economically active population include labour force participation rates, population ratios and estimates of gross flows.

Population Ratios and
Labour Force Participation
Rates

2.63 Labour Force participation rates and other population ratios are used extensively in analyses of labour statistics, in particular for monitoring changes in the size and composition of the labour supply.

2.64 Population ratios provide information on the percentage of persons in a population with certain characteristics. For example an employment to population ratio provides information on the percentage of the population in employment. Population ratios can be calculated for the entire population, or groups within the population; for example, an unemployment to population ratio for persons aged 15–19 years provides information on the percentage of persons aged 15–19 years who are unemployed.

2.65 Labour force participation rates are a special type of labour force to population ratio. The labour force participation rate for any group within the population is the labour force component of that group, expressed as a percentage of the population in the same group.

2.66 The Labour Force Survey publishes both labour force participation rates and other population ratios on a regular basis. For more information on the contents and methodology of this survey refer to Chapter 19.

2.67 Estimates of movements between labour force states (employment, unemployment, not in the labour force), from one month to the next are produced from the Labour Force Survey, and referred to as gross flows. The measurement of gross flows provides insight into the nature of changes in each of the labour force categories and highlights the changing nature of movements into and out of the labour force. For example, in a period of expanding job opportunities when unemployment is not declining, gross flows data may show that many persons previously classified as not in the labour force are now satisfying the criteria for being classified as unemployed. The analysis of gross flows data also provides a good indicator of trends and cyclical activity within the labour market.

2.68 Data on gross flows are available from the Labour Force Survey. Estimates relate only to those persons in private dwellings for whom information was obtained in successive surveys (about 80% of all persons in the survey). For further information on estimates of gross flows and on other outputs from the Labour Force Survey, or its methodology, refer to Chapter 19.

CHAPTER 3

EMPLOYMENT

INTRODUCTION

3.1 The labour force framework discussed in Chapter 2 categorises the population into three mutually exclusive groups: employed; unemployed; and not in the labour force. This chapter discusses the concept of employment, and contrasts estimates of employment produced from the Labour Force Survey with those collected in other labour statistics series. The concepts of unemployment and not in the labour force are discussed in subsequent chapters.

CONCEPTS AND INTERNATIONAL GUIDELINES

3.2 The international concept of employment (Thirteenth ICLS 1982) is based on the principle that a person must have been engaged in some economic activity (work) over a short reference period. The concept of economic activity, discussed in Chapter 2, is linked to the concept of production as defined by the SNA. Any activity falling within the SNA production boundary is considered as work for the purposes of measuring employment. Employment is defined broadly in the international guidelines as all persons engaged in one or more hours of work during the reference period, as well as some persons temporarily absent from work.

3.3 According to the international concepts, employed persons comprise those above the age specified for measuring the economically active population, in *paid employment* or *self-employment*, during a specified reference period. *Paid employment* includes persons who performed some work for wages or salary, in cash or in kind, and persons temporarily absent from a paid employment job but who retained a formal attachment to that job. *Self-employment* includes persons who performed some work for profit or family gain, in cash or in kind, and those with an enterprise but temporarily not at work during the specified reference period for some specific reason.

3.4 The notion of 'some work' is interpreted as work for at least one hour. This approach ensures consistency between measures of employment and measures of production of goods and services, as all work (however little) contributing to national production is included in measures of employment.

3.5 The international definition of employment specifies criteria for determining 'temporary absence from work'. Different criteria are used for absences from paid employment and self-employment. Persons absent from paid employment are considered employed provided they retain formal attachment to a job or business. Formal attachment occurs when one or more of the following criteria are met:

- the continued receipt of wage or salary during the absence from work;
- an assurance of a return to work following the end of the absence from work, or an agreement as to the date of return (or at least a reasonable expectation of a return to work); and
- a short duration of absence from the job (which, wherever relevant, may be the duration for which workers can receive compensation benefits without obligation to accept other jobs).

CONCEPTS AND
INTERNATIONAL GUIDELINES
continued

3.6 The notion of formal attachment applies only in respect of absences from jobs involving paid employment. Persons in self-employment who are 'with an enterprise but not at work' (i.e. temporarily absent from work for some specific reason) are considered employed. The international standards do not set out formal criteria for temporary absence from self-employment because of the diverse working patterns of the self-employed. However, guidelines for the self-employed recognise that the continued existence of the enterprise and an acceptable duration of absence (indicated, for example, by the reason for absence) may be sufficient. The treatment of absent contributing family workers in the guidelines is consistent with this view; as they are not considered to have an enterprise of their own, they cannot be 'with an enterprise but not at work', and should not be included among the employed.

DEFINITIONS USED IN ABS
SURVEYS

3.7 The ABS produces estimates of employment from both household and business surveys. The definitions of employment used in household surveys are designed to be consistent with the international standards. The definition of employment used in business surveys relates more closely to paid employment.

Definitions Used in ABS
Household Surveys

3.8 Three different definitions of employment are used in ABS household surveys. The Labour Force Survey is designed to produce precise estimates of employment (and unemployment), and the definition used aligns closely with international standards and guidelines. In other household surveys where employment is an explanatory variable or classificatory variable, it is generally not practical to determine employment as precisely as in the Labour Force Survey. While estimates of employment produced from these surveys are designed to be consistent with the international concept of employment, the definition used is slightly broader than that used in the Labour Force Survey. Two alternative questionnaire modules are used to produce estimates of employment in these surveys — a reduced questionnaire module (for use in personal interviews), and a self-enumerated questionnaire module.

LABOUR FORCE SURVEY

3.9 The definition of employment used in the Labour Force Survey aligns closely with the concepts and international definitions outlined above. Employed persons are defined as all persons 15 years of age and over who, during the reference week:

- worked for one hour or more for pay, profit, commission or payment in kind, in a job or business or on a farm (comprising employees, employers and own account workers); or
- worked for one hour or more without pay in a family business or on a farm (i.e. contributing family workers); or
- were employees who had a job but were not at work and were:
 - away from work for less than four weeks up to the end of the reference week; or
 - away from work for more than four weeks up to the end of the reference week and received pay for some or all of the four week period to the end of the reference week; or
 - away from work as a standard work or shift arrangement; or
 - on strike or locked out; or
 - on workers' compensation and expected to be returning to their job; or
- were employers or own-account workers, who had a job, business or farm, but were not at work.

3.10 For employees absent from work, a condition of formal job attachment is considered to exist in any of the following circumstances:

- short periods of absence (less than four weeks to the end of the reference week);
- long periods of absence (four weeks or more to the end of the reference week) *and* receipt of wages or salary for some or all of the four week period to the end of the reference week, such as persons on paid leave;
- any period of absence *and* away from work as a standard work or shift arrangement;
- any period of absence *and* on strike or locked out;
- any period of absence *and* continued receipt of workers' compensation payments *and* expected to return to work for the current employer.

3.11 As previously discussed, the international definition of employment recommends the use of certain criteria for determining formal job attachment when dealing with absences from paid employment in the reference week. All three criteria are used in the Labour Force Survey:

- short periods of absence are consistent with the third criterion specified in the international definition: a short duration from the job (which, wherever relevant, may be the duration for which workers can receive compensation benefits without obligation to accept other jobs) — that is, the duration of absence should be short to be considered temporary (note that the international definition does not make recommendations on the duration of temporary absences);
- the receipt of pay, during long periods of absence, or as workers' compensation, is consistent with the first criterion specified in the international definition, continued receipt of wage or salary during the absence from work;
- assurance of a return to work following the end of an absence from work, or an agreement as to the date of return (or at least a reasonable expectation of a return to work), is tested in the case of absence on workers' compensation. However, for employees away from work as a standard work or shift arrangement, and for employees on strike or locked out, it is assumed that an assurance of a return to work or an agreement as to the date of return exists.

3.12 Of the self-employed, employers and own account workers absent from work during the reference week are defined as employed without further testing of 'formal job attachment'. Contributing family workers who are absent from work in the reference week are not considered to be employed. This is consistent with the international guidelines discussed above.

OTHER ABS HOUSEHOLD SURVEYS

3.13 Most other ABS household surveys use one of the two alternative questionnaire modules (the reduced questionnaire module used for personal interviews, or the self-enumerated questionnaire module) to produce employment estimates. As discussed above, employment is more broadly defined in these modules than in the Labour Force Survey:

- most Special Social Surveys use the reduced questionnaire module for personal interviews. Employment in this module is defined as all (in scope) persons who worked for one hour or more during the reference week for pay, profit, commission, or payment-in-kind, or without pay in a family business; or who had a job but were not at work; and
- the Census of Population and Housing uses the self-enumerated questionnaire module. Employment in this module is defined as all persons aged 15 years and over who, during the reference week, worked for payment or profit or as unpaid workers in a family business, or who had a job from which they were on leave or otherwise temporarily absent.

OTHER ABS HOUSEHOLD SURVEYS *continued*

3.14 Estimates of employment produced from the reduced questionnaire module for personal interviews are slightly higher (around 0.1%) than those produced from the Labour Force Survey. This results from differences in the treatment of persons temporarily away from work. In the reduced questionnaire module all persons away from work are classified as employed. In comparison, the Labour Force Survey classifies persons away from work as employed if:

- they are in paid employment and have formal job attachment; or
- they are employers or own account workers.

3.15 The self-enumerated questionnaire module also produces different estimates of employment from the Labour Force Survey. Some differences result from the shortened set of questions, which cannot determine employment as precisely as the Labour Force Survey (as the latter uses a longer set of questions to determine whether persons are employed). The self-enumeration nature of the questions also causes some differences, due to differences in interpretation among respondents. As a result, employment estimates from the self-enumerated questionnaire module are best used as explanatory or classificatory variables to explain other phenomena, rather than for detailed analysis of the labour force itself.

3.16 Concepts of employment used in ABS business surveys are narrower than the concept used in ABS household surveys. While estimates of employment from household surveys are of *persons engaged in economic activity*, estimates from business surveys are of *jobs involving paid employment*. There are two important distinctions between these estimates: the first relates to the statistical unit being measured, i.e. *persons* versus *jobs*; and the second to the concept being measured, i.e. *(total) employment* versus *paid employment*. These are discussed further below.

3.17 First, estimates of employment from business surveys refer to *jobs* rather than *persons*. For example persons holding jobs with different employers would be counted in ABS household surveys as employed once, but in ABS business surveys would be counted once for each job held.

3.18 Second, estimates of employment from business surveys mainly relate to *paid employment*. Paid employment is a component of total employment; when combined with self-employment, it would provide a concept of employment that is consistent with the international concepts. However, the coverage of paid employment applied in ABS business surveys is narrower than that outlined in the international guidelines. It excludes:

- jobs involving paid employment that do not appear on business payrolls (from which information on employment is sourced within businesses), such as jobs that are paid in kind only, and jobs from which occupants are absent without pay (for a lengthy period);
- jobs involving paid employment in businesses that have limited coverage on the ABS Business Register (from which the samples for most ABS business surveys are drawn), such as private households engaging staff; and
- jobs involving paid employment in businesses in the Agriculture, forestry and fishing industries; a relatively small proportion of these businesses have employees, thereby making surveying impractical.

3.19 Some industry and economy-wide ABS business surveys, however, do include a component of self-employment as well as paid employment in their surveys. For example, working proprietors and partners are included in the Economic Activity Survey.

3.20 Estimates of the number of paid employment jobs (also referred to as employee jobs) from ABS business surveys are most commonly compared to estimates of the number of persons in paid employment jobs (also referred to as employees) from ABS household surveys. However, estimates of employees from household surveys are not equivalent to estimates of employee jobs from business surveys and, when comparing estimates, the differences outlined above should be considered. Conceptual and methodological reasons for differences between estimates of employees from the Labour Force Survey and estimates of employee jobs from the Survey of Employment and Earnings (a business survey) are discussed in the ABS Information Paper: *Comparison of Employment Estimates from the Labour Force Survey and the Survey of Employment and Earnings* (Cat. no. 6263.0).

DATA SOURCES

3.21 Estimates of employment are available from the following ABS household surveys:

- the Labour Force Survey;
- the Census of Population and Housing; and
- Special Social Surveys.

3.22 Estimates of employee jobs are produced from the following ABS business surveys:

- the Survey of Employment and Earnings;
- the Economic Activity Survey; and
- from time to time, business surveys targeted to particular industries or sectors.

Labour Force Survey

3.23 The monthly Labour Force Survey is the official source for Australian employment and unemployment statistics. The definition of employment used in the Labour Force Survey is outlined above. The survey uses a comprehensive and detailed set of questions to precisely measure the numbers and certain characteristics of persons in employment and unemployment as well as persons not currently economically active. Estimates from the Labour Force Survey are available by State/Territory, capital city/rest of State, and 67 sub-State regions (see Chapter 15 for more information on geographic classifications available from ABS household surveys). For more detail on the content and methodology of the Labour Force Survey see Chapter 19.

Census of Population and Housing

3.24 As discussed above (paragraphs 3.13–3.15), the Census of Population and Housing uses the self-enumerated questionnaire module to produce employment estimates consistent with the international standards. However, because the self-enumerated questionnaire module defines employment less precisely than the Labour Force Survey, estimates produced are not strictly comparable with those from the Labour Force Survey. For these reasons, employment estimates from the Census should be used with caution in analyses where labour force activities are a major focus. When comparing estimates of employment from the Census of Population and Housing with those produced from the Labour Force Survey, users should also note differences between the two surveys in scope (for example, the inclusion of permanent defence forces in Census employment data) and methodology. Employment estimates from the Census are available down to the statistical local area level¹. Refer to Chapter 18 for further information on the Census of Population and Housing.

Special Social Surveys

3.25 As discussed above (paragraphs 3.13–3.15), most Special Social Surveys use the reduced questionnaire module for personal interviews to produce employment estimates that are consistent with the international standards. However, because the reduced questionnaire module defines employment less precisely than the Labour Force Survey, estimates produced are not strictly comparable with those produced from the Labour Force Survey. When comparing employment estimates from Special Social Surveys with estimates from the Labour Force Survey, users should also note differences in scope and methodologies across the surveys.

1 Statistical local areas (SLAs) consist of one or more Census collection districts. In aggregate, SLAs cover the whole of Australia without gaps or overlaps. An SLA consists of a single local government area, or part thereof, or any unincorporated area. For further information refer to Chapter 15.

Special Social Surveys
continued

3.26 The labour-related Special Social Surveys — the Survey of Employment Arrangements and Superannuation (Chapter 21) and the Survey of Employment and Unemployment Patterns (Chapter 22) — both produced estimates of employment. Unlike most Special Social Surveys, neither of these surveys used the reduced questionnaire module to produce measures of employment as described above. Instead, both surveys used questions asked in the Labour Force Survey. However, the questions used in the Survey of Employment Arrangements and Superannuation were modified slightly from those used in the Labour Force Survey and collected information about two jobs where appropriate. For more information on these surveys, refer to the chapters listed above.

Survey of Employment and Earnings

3.27 The Survey of Employment and Earnings is a business survey producing estimates of employee jobs. There are conceptual reasons (as discussed in paragraphs 3.16–3.20) as well as methodological reasons for differences in estimates of employment produced from business and household surveys. For further information on the scope and collection methodology of this survey refer to Chapter 29.

Economic Activity Survey

3.28 The Economic Activity Survey is a business survey producing employment estimates. There are conceptual as well as methodological reasons for differences in estimates of employment produced from business and household surveys. For further information on the scope and collection methodology of this survey refer to Chapter 31.

CHAPTER 4

EMPLOYMENT MEASURES AND CLASSIFICATIONS

INTRODUCTION

4.1 There are a number of measures and classifications related to employment. Those discussed in this chapter include: status in employment; occupation; hours of work; full-time/part-time status; permanent/temporary/casual status; adult/junior status; managerial/non-managerial status; employment type; and other measures of working arrangements including details of shift work, overtime etc.

STATUS IN EMPLOYMENT

4.2 The status in employment classification is available from most ABS household surveys producing estimates of employment, including the Labour Force Survey, the Census of Population and Housing, and most Special Social Surveys. The status in employment classification is not available from business surveys producing estimates of employee jobs. However, as discussed in Chapter 3, estimates of employee jobs from business surveys are related to, but not the same as, estimates of persons in paid employment (employees) from household surveys.

4.3 The Australian status in employment classification is based on the ILO's resolution (Fifteenth ICLS 1993) concerning the International Classification of Status in Employment (ICSE-93). The ICSE classifies job holders according to the type of economic risk held between the job holder and other persons or legal organisations. The distinction between paid employment jobs and self-employment jobs is central to the classification. Paid employment (employee) jobs are those where remuneration is not directly dependent on the profits of the unit for which the job holder works. Self-employment jobs are those jobs where remuneration depends directly on the profits (or future profits) derived from the goods and services produced. The ICSE distinguishes five groups: employees (paid employment jobs) and four types of self-employment jobs: employers; own account workers; contributing family workers; and members of producers' cooperatives.

4.4 The Australian status in employment classification classifies job holders according to their perception of the relationship between themselves and the enterprise for which they work, together with the legal status of the enterprise where this can be established. The ICSE group "members of producers' cooperatives" is excluded from the Australian classification due to its lack of relevance in the Australian context. The groups distinguished in the Australian classification are:

- employee — a person who works for a public or private employer and receives remuneration in wages, salary, a retainer fee from their employer while working on a commission basis, tips, piece-rates, or payment in kind; or a person who operates his or her own incorporated enterprise with or without hiring employees;
- employer — a person who operates his or her own unincorporated economic enterprise or engages independently in a profession or trade, and hires one or more employees;

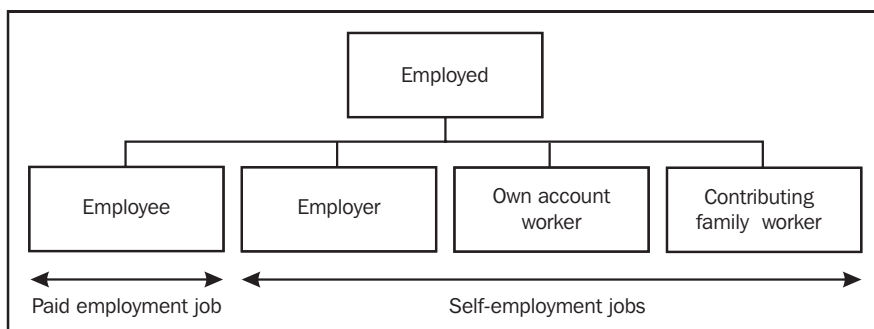
STATUS IN EMPLOYMENT
continued

- own account worker — a person who operates his or her own unincorporated economic enterprise or engages independently in a profession or trade, and hires no employees; and
- contributing family worker — a person who works without pay in an economic enterprise operated by a relative.

4.5 The legal status concept is used to classify owner-managers of incorporated businesses as employees rather than as employers or own account workers, for consistency with Australian National Accounts practice. Individuals who work in their own business are queried about the legal status of the business. Although they may ‘own’ the business, if it is incorporated the individual is not held personally liable for the economic enterprise should it become insolvent. Those individuals who own an incorporated business, with or without hiring one or more employees, are therefore classified as employees. If the business is unincorporated (and hence the owner is liable for the economic enterprise), those who hire employees are classified as employers and those who do not are classified as own account workers.

4.6 The Australian status in employment classification is illustrated in diagram 4.1.

4.1 AUSTRALIAN STATUS IN EMPLOYMENT CLASSIFICATION



OCCUPATION

4.7 The occupation classification used in ABS surveys is the Australian Standard Classification of Occupations (ASCO) Second Edition 1996. Occupation data are available from the Labour Force Survey (quarterly), a number of supplementary topics to the Labour Force Survey, and most Special Social Surveys as well as the five-yearly Census of Population and Housing.

4.8 ASCO is a skill-based classification of occupations which covers all jobs in the Australian workforce. Occupation information collected in surveys and the Census provides a description of a person’s job and refers to the kind of work undertaken by an employed person irrespective of the industry in which that job is held. Jobs and occupations are fundamental concepts to the classification. A job is a set of tasks designed to be performed by one individual. An occupation is a set of jobs with similar sets of tasks. Occupations are classified according to two criteria — skill level and skill specialisation.

OCCUPATION *continued*

4.9 *Skill level* is a function of the range and complexity of the set of tasks involved. The greater the range and complexity of the set of tasks, the greater the skill level of the occupation. The criteria used in ASCO Second Edition to measure skill level are the formal education and/or training and previous experience usually required for entry to the occupation.

4.10 *Skill specialisation* of an occupation is a function of the field of knowledge required, tools and equipment used, materials worked on, and goods or services produced in relation to the tasks performed. Skill specialisation is used to group occupations according to type, rather than level of skill.

4.11 The structure of ASCO Second Edition comprises five hierarchical levels: Major Groups (the broadest level), Sub-Major Groups, Minor Groups, Unit Groups and Occupations (the finest level). The Major Groups are distinguished from each other on the basis of skill level, and, where necessary, the broad concept of skill specialisation. The nine Major Groups are:

- 1 Managers and Administrators
- 2 Professionals
- 3 Associate Professionals
- 4 Tradespersons and Related Workers
- 5 Advanced Clerical and Service Workers
- 6 Intermediate Clerical, Sales and Service Workers
- 7 Intermediate Production and Transport Workers
- 8 Elementary Clerical, Sales and Service Workers
- 9 Labourers and Related Workers

4.12 The sub-major group, minor group, unit group and occupation levels provide increasingly detailed dissections of the broad categories. For further information on ASCO Second Edition, refer to *ASCO: Australian Standard Classification of Occupation, Second Edition* (Cat. no. 1220.0).

HOURS OF WORK

4.13 Information on hours of work enables: classification of employed persons according to the number of hours worked; classification of employed persons into full-time and part-time status; and the identification of underemployed persons. The general notion of hours of work encompasses a number of related concepts: usual hours worked; hours actually worked; normal hours of work; and hours paid for (including both normal hours and overtime hours).

Usual Hours of Work

4.14 Usual hours of work refers to a typical period rather than to a specified reference period. The concept of usual hours applies both to persons at work and to persons temporarily absent from work, and is defined as the hours worked during a typical week or day. Actual hours worked (for a specific reference period) may differ from usual hours worked due to illness, vacation, strike, overtime work, a change of job or similar reasons.

Usual Hours of Work
continued

4.15 Measures of usual hours of work are available from: the Labour Force Survey (see Chapter 19); the Labour Force Survey supplementary survey, the Underemployed Workers Survey (see Chapter 20 Section 14); and from various Special Social Surveys, including the Survey of Employment Arrangements and Superannuation (see Chapter 21). Measures of usual hours of work are not available from ABS business surveys.

Actual Hours of Work

4.16 International resolutions relating to actual hours worked adopted by the Tenth ICLS in 1962 refer to wage and salaried employees. There are no international recommendations relating to actual hours worked for all categories of employed. However the ILO, in its manual *Surveys of Economically Active Population, Employment, Unemployment and Underemployment* suggests that actual hours worked in a given job should be defined to cover all types of employment in labour force surveys.

4.17 According to the international resolution, actual hours of work refers to a specified reference period and includes:

- hours actually worked during normal periods of work;
- time spent in addition to hours worked during normal periods of work (including overtime);
- time spent at the place of work on activities such as the preparation of the workplace, repairs and maintenance, preparation and cleaning of tools, and the preparation of receipts, time sheets and reports;
- time spent at the place of work waiting or standing by; and
- time corresponding to short rest periods.

Excluded are:

- hours paid for but not worked such as paid annual leave, public holidays or paid sick leave;
- meal breaks; and
- time spent on travel to and from work.

4.18 The ILO suggests that for multiple job holders (in the case of labour force surveys), actual hours worked should equal the hours worked at all jobs.

4.19 ABS measures of actual hours of work are consistent with the international recommendations outlined above except for time spent travelling to and from work by the self-employed which is sometimes included in household surveys.

Actual Hours of Work
continued

4.20 Measures of actual hours of work are available from a number of ABS household surveys: the Labour Force Survey (see Chapter 19 for more detail on the content and methodology of this survey); various labour-related supplementary topics to the Labour Force Survey (see Chapter 20, Sections 1 to 16 for more detail on the content and methodology of labour-related supplementary surveys); various Special Social Surveys, including the Survey of Employment Arrangements and Superannuation (see Chapter 21), and the Survey of Employment and Unemployment Patterns (see Chapter 22); and the Census of Population and Housing (see Chapter 18). Measures of actual hours of work are not available from ABS business surveys.

Hours Paid For

4.21 Measures of hours paid for are collected in both ABS household surveys and ABS business surveys including: the Survey of Employee Earnings and Hours (a business survey — refer to Chapter 28 for more detail on survey content and methodology); and the Labour Force Survey supplement, the Employee Earnings, Benefits and Trade Union Membership Survey (refer to Chapter 20 Section 2 for more detail).

4.22 Hours paid for are not necessarily the same as number of hours actually worked (e.g. the quantum of hours reported as ‘paid’ and as ‘worked’ would differ for employees on paid leave, or in situations where employees work more or less hours than their paid hours). While ABS household surveys collect details of the number of hours paid, ABS business surveys also collect information on the following components:

- ordinary time hours paid for — defined as the award, standard or agreed hours of work paid for at the ordinary rate. Ordinary hours paid for include: stand-by or reporting time hours which are part of standard hours of work, and hours of paid annual leave, paid sick leave and long service leave taken during the reference period. Ordinary time hours paid for at penalty rates (e.g. for shift work) are not converted to their ordinary time equivalent; and
- overtime hours paid for — defined as hours paid for in excess of award, standard or agreed hours of work, at both standard and penalty rates.

4.23 Measures of average (mean) and median hours paid for and average hourly earnings for various categories of employee jobs are produced in various ABS business surveys.

Normal Hours of Work

4.24 Normal hours of work were defined in a 1962 ICLS Resolution as “hours of work fixed by or in pursuance of laws and regulations, collective agreements or arbitral awards. Where not fixed by or in pursuance of laws or regulations, collective agreements or arbitral awards, normal hours of work should be taken as meaning the number of hours per day or week in excess of which any time worked is remunerated at overtime rates or forms an exception to the rules or custom of the establishment relating to the classes of workers concerned”. In the ABS, normal hours of work are defined as those set down in awards or formal agreements or standard hours of work in the industry or, where these do not exist, 35 hours per week.

Normal Hours of Work
continued

4.25 Measures of normal hours of work are not produced by the ABS. However, the concept is used in the full-time/part-time status classification in ABS business surveys.

FULL-TIME/PART-TIME
STATUS

4.26 The notion of what constitutes a standard full-time working week has required continual re-examination over the last 40 years with the progressive decline in standard hours of work, accompanied by a substantial growth in the number of persons employed under part-time working arrangements.

4.27 In the absence of any internationally accepted definition of part-time work, two approaches have been taken in various countries. The first is objective and is based on the number of hours worked. The second is more subjective and involves classifying workers as full-time or part-time based on the self-assessment of the person concerned irrespective of the number of hours actually worked. The former approach is relatively simple to apply without requiring the respondent to know details about their contractual arrangements on hours worked, but provides no flexibility to accommodate variations in 'normal' hours of work in different industries and occupations. The self-assessment approach does accommodate such differences but is subjective, and its accuracy is dependent on respondents' knowledge of whether they work full-time or part-time in their activity. Both approaches are used in ABS surveys.

4.28 The full-time/part-time status classification differs from, and should not be confused with, the permanent/casual classification. While the classification of full-time and part-time work is based on hours worked, the permanent/casual classifications used in ABS household and business surveys are not. In ABS business surveys the classification of employee jobs as permanent, temporary or casual is based on entitlements to paid leave and the length of employment contracts. Traditionally, ABS household surveys have classified employees as permanent or casual based on their entitlements to paid leave. However, more recently an additional criterion, on whether an employee perceives their job to be casual, has been used to classify employees as self-identified casuals. The permanent/casual classifications used in ABS business and household surveys are discussed later in this chapter.

ABS Household Surveys

4.29 The approach used in the Labour Force Survey and adopted in many other ABS household surveys is to define full-time and part-time status in terms of hours worked. The definition used designates full-time workers as persons who (a) usually work 35 hours or more per week in all jobs, or (b) although usually working less than 35 hours a week, actually worked 35 hours or more during the reference week. Part-time workers are those who usually work less than 35 hours per week, and either did so during the reference week, or were not at work in the reference week. Under this definition, persons with more than one job are defined as full-time if they work more than 35 hours across all of their jobs.

ABS Household Surveys
continued

4.30 A subjective approach based on respondents' perception of their full-time or part-time status is used in some supplementary topics to the Labour Force Survey, and in some Special Social Surveys. This approach is most often used where information is sought about work that is not currently being undertaken and where recall problems may be encountered using a more objective approach (e.g. for jobs held 12 months prior to the survey date). It is also sometimes used to determine the full-time or part-time status of each job held by multiple job holders.

4.31 Full-time/part-time status is available from a number of ABS household surveys including: the monthly Labour Force Survey (see Chapter 19 for more detail on the content and methodology of this survey); various labour-related supplementary topics to the monthly Labour Force Survey (see Chapter 20 Sections 1 to 16 for more detail on the content and methodology of labour-related supplementary surveys); various Special Social Surveys including the Survey of Employment Arrangements and Superannuation (see Chapter 21), and the Survey of Employment and Unemployment Patterns (see Chapter 22); and the Census of Population and Housing (see Chapter 18).

4.32 Persons working part-time hours should not be confused with underemployed workers (discussed in Chapter 5) even though both may be working less than 35 hours per week. Part-time workers can be classified into two groups: fully employed part-time workers who work part-time voluntarily, and underemployed part-time workers who work part-time on an involuntary basis (i.e. they want more hours of work) and who may be seeking and/or available for more work.

ABS Business Surveys

4.33 In ABS business surveys, the classification of employee jobs as full-time is based on whether the usual hours worked are equal to, or greater than, what has been agreed to as being full-time under the relevant award or agreement (i.e. normal hours). If there are no agreed or award hours associated with the job, then it is classified as full-time where the usual hours of work per week are 35 or more. Part-time jobs are those not defined as full-time.

4.34 The full-time/part-time status classification is used in the following ABS business surveys: the Survey of Employment and Earnings (see Chapter 29); the Survey of Employee Earnings and Hours (see Chapter 28); and the Survey of Average Weekly Earnings (see Chapter 27).

PERMANENT/CASUAL
STATUS

4.35 Traditionally, ABS household surveys have classified persons in paid employment (employees) as permanent or casual according to their paid leave entitlements. However, more recently an additional criterion, on whether an employee perceives their job to be casual, has been used to classify employees as self-identified casual. The classification used in ABS business surveys is different, classifying employee jobs as either permanent, temporary or casual. The classifications used in household and business surveys are discussed further below.

PERMANENT/CASUAL
STATUS *continued*

4.36 The permanent/casual status classification differs from, and should not be confused with, the full-time/part-time classification which is a classification of hours worked. The full-time/part-time classification was discussed earlier in this chapter.

ABS Household Surveys

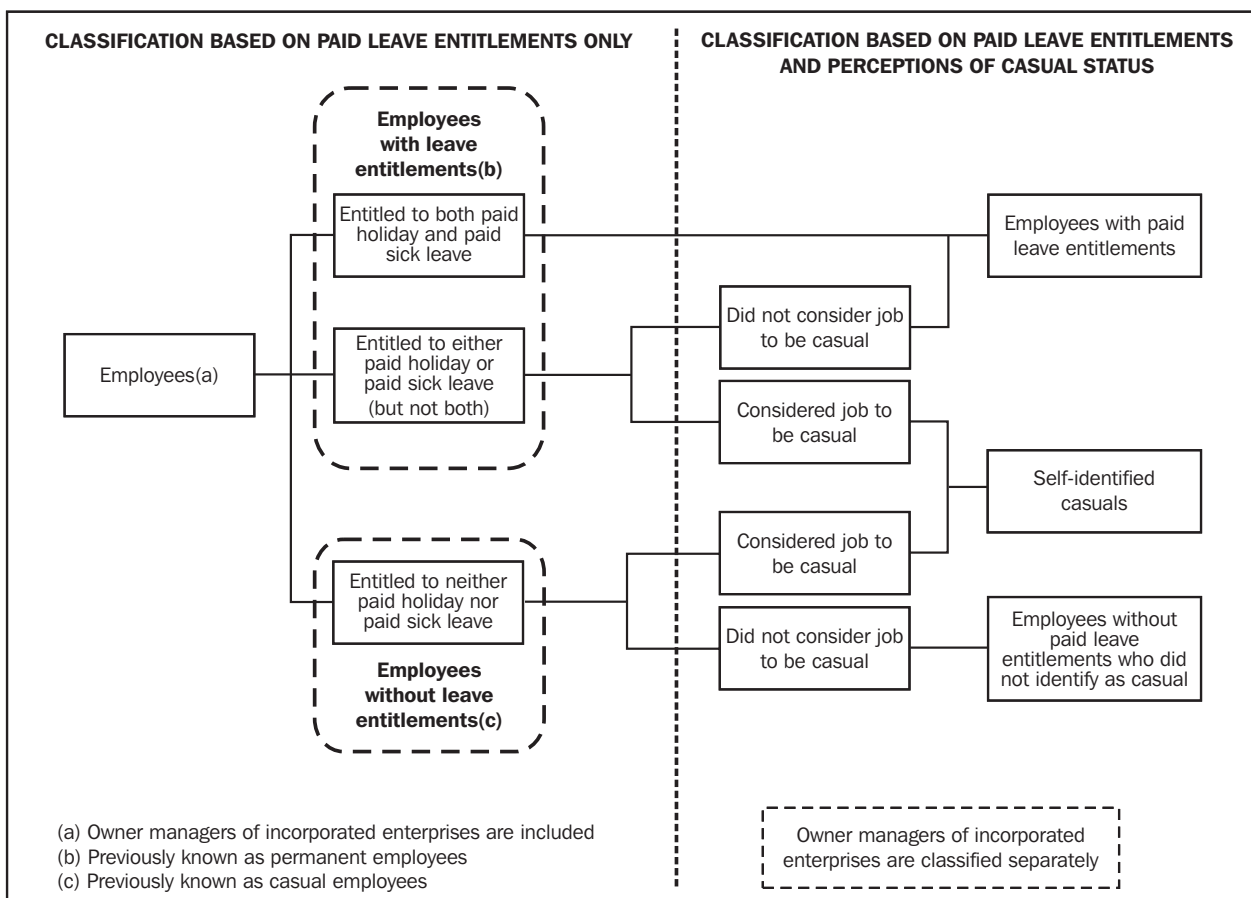
4.37 Entitlement to paid holiday leave and paid sick leave has been used in ABS household surveys to distinguish between permanent and casual employees. Employees who were entitled to either paid holiday or paid sick leave (or both) in their main job have been classified as permanent, while employees who were entitled to neither have been classified as casual. This method of identifying permanent and casual employees was simple and objective, and reflected long established definitions of permanent and casual employees used in Australia's industrial relations systems where, under the awards system, casuals were paid loadings in lieu of entitlements to paid holiday leave and paid sick leave. Changes to the leave entitlements of casuals from the late 1990s, where casuals are increasingly entitled to various forms of paid leave, have meant that the classification of permanent and casual employees based solely on paid leave entitlements is no longer appropriate. From late 2000, the terms 'permanent' and 'casual' will no longer be used in ABS household surveys to describe employees with and without leave entitlements. The term 'permanent' will be replaced with the term 'with leave entitlements', and 'casual' will be replaced with the term 'without leave entitlements'.

4.38 In addition to information on leave entitlements, a small number of ABS household surveys also collect information from employees on whether they perceive themselves to be casual. Only those employees who are not entitled to *both* paid holiday leave and paid sick leave are asked about their casual status in these surveys. Information about leave entitlements is then used together with information on respondents' perception of their casual status to classify employees (excluding owner managers of incorporated enterprises) into three groups.

- Employees with any leave entitlements — comprising: employees who are entitled to *both* paid holiday leave and paid sick leave; and employees who are entitled to *either* paid holiday leave or paid sick leave *and* who do not consider their jobs to be casual.
- Self-identified casuals — comprising: employees who are entitled to *either* paid holiday leave or paid sick leave but not both, or who have no leave entitlements, *and* who consider their jobs to be casual.
- Employees without leave entitlements who do not consider their jobs to be casual.

4.39 The relationship between the two classifications used in household surveys is illustrated in diagram 4.2.

4.2 CLASSIFICATIONS OF PERMANENT AND CASUAL STATUS USED IN ABS HOUSEHOLD SURVEYS



4.40 ABS household surveys for which the 'with leave entitlements'/'without leave entitlements' classification (previously known as permanent/casual classification) is available include a number of supplements to the Labour Force Survey: the Employee Earnings, Benefits and Trade Union Membership Survey (Chapter 20 Section 2); the Working Arrangements Survey (Chapter 20 Section 16); and the Work Related Injuries Survey (Chapter 20 Section 15). Household surveys which also use information on employees' self-perception of their casual status include: the Labour Force Survey supplement, the Forms of Employment Survey¹ (Chapter 20 Section 3); and the Special Social Survey, the Survey of Employment Arrangements and Superannuation (Chapter 21).

1 The classification used in the 1998 Forms of Employment Survey differs slightly from the classification presented. Employees who were entitled to either paid holiday or sick leave (but not both) and who did not consider their job to be casual were classified as 'other employed persons'. Also classified as 'other employed persons' were: employees who were entitled to neither paid holiday leave nor paid sick leave and who did not consider their job to be casual; and owner managers of unincorporated enterprises who did not invoice or bill for own payment and paid Pay As You Earn tax.

ABS Business Surveys

4.41 The permanent/temporary/casual classification is available from the Survey of Employee Earnings and Hours (Chapter 28). In the survey, employee jobs are classified according to respondents' perception of the permanent, temporary or casual nature of the job. To assist respondents to classify jobs, some information is provided on the survey questionnaire about each type of job. Permanent jobs are described as jobs with paid annual and sick leave entitlements. Temporary jobs are described as jobs with some leave entitlements but with a short-term employment contract. Casual jobs are described as jobs with higher rates of pay, to compensate for lack of permanency and leave entitlements.

ADULT/JUNIOR STATUS

4.42 The adult/junior classification is only available from ABS labour-related business surveys. In these surveys, adults are defined as employees aged 21 years or over, and employees who are paid at the adult rate regardless of their age (e.g. employees aged under 21 years may be paid at the full adult rate for their occupation). Juniors are employees aged under 21 years who are not paid at the adult rate of pay for their occupation. ABS labour-related business surveys for which the adult/junior classification is available include the Survey of Employee Earnings and Hours (Chapter 28). The Survey of Average Weekly Earnings (Chapter 27) also produces estimates relating to full-time adult jobs.

4.43 Adult/junior status is not determined in household surveys; however, details of age are collected.

MANAGERIAL/ NON-MANAGERIAL STATUS

4.44 The managerial/non-managerial classification is only available from ABS business surveys. Managerial jobs are defined as those involving responsibility for a significant number of employees, or having significant responsibilities in the conduct or operations of an enterprise/organisation. They do not usually have overtime payment entitlements. Jobs occupied by professionally qualified persons are defined as managerial only if the occupant primarily performs managerial tasks. Jobs occupied by working proprietors of incorporated businesses are considered managerial. Non-managerial occupations include supervisors, clerical staff, tradespersons, non-managerial professionals, apprentices, trainees and cadets. Business surveys for which the managerial/non-managerial classification is available include the Survey of Employee Earnings and Hours (Chapter 28).

EMPLOYMENT TYPE

4.45 The number and types of employment groups identified in the status in employment classification (paragraphs 4.2–4.6) are extended in two household surveys which examine working relationships in detail: the Forms of Employment Survey (a supplement to the Labour Force Survey); and the Survey of Employment Arrangements and Superannuation. Both surveys examine the nature of employment arrangements of persons whose status in employment is an employee², employer or own account worker; and then reclassify these persons into alternative paid employment and self-employment groups.

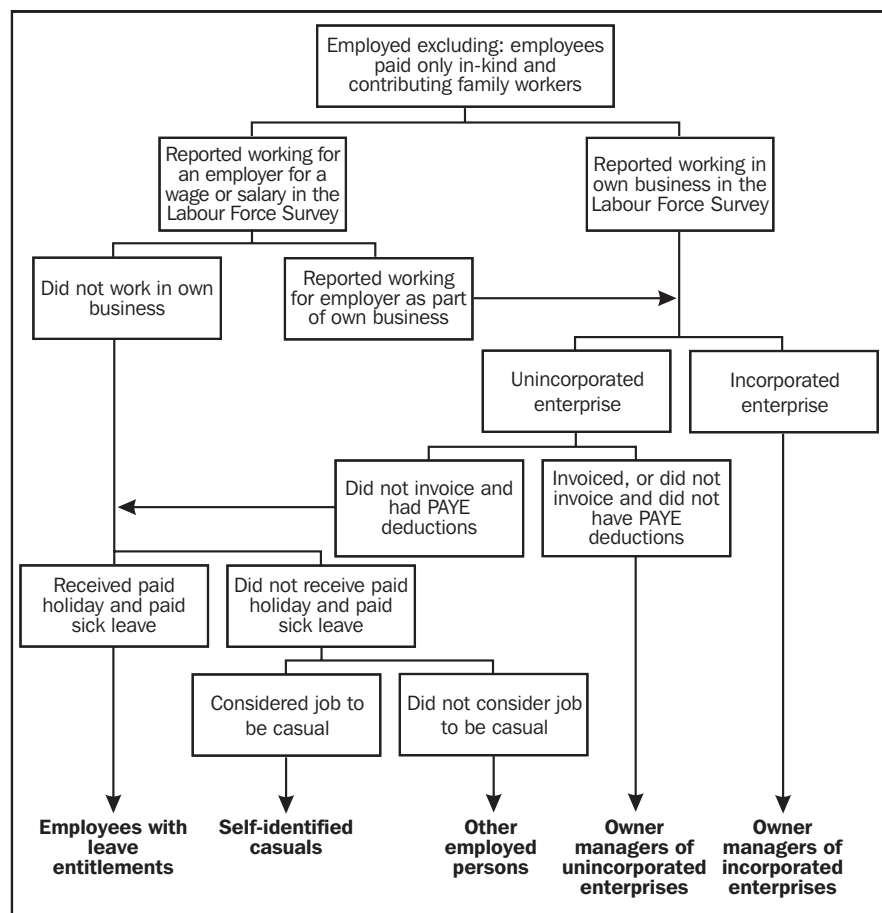
² Excluding employees who are paid only in kind.

4.46 The 1998 Forms of Employment Survey (a supplement to the Labour Force Survey) identified five employment types: employees with leave entitlements; self identified casuals; other employed; owner managers of incorporated enterprises; and owner managers of unincorporated enterprises. These groups are described in more detail below.

- Employees with leave entitlements — persons who were entitled to receive both paid holiday leave and paid sick leave, and who either:
 - worked in someone else's business; or
 - reported that they worked in their own unincorporated business but did not invoice clients for own payment and paid Pay As You Earn (PAYE) tax.
- Self identified casuals — persons who were not entitled to receive both paid holiday leave and paid sick leave, and considered their job to be casual, and who either:
 - worked in someone else's business; or
 - reported that they worked in their own unincorporated business but did not invoice clients for own payment and paid PAYE tax.
- Other employed persons — persons who were not entitled to receive both paid holiday leave and paid sick leave, and did not consider their job to be casual, and who either:
 - worked in someone else's business; or
 - reported that they worked in their own unincorporated business but did not invoice clients for own payment and paid PAYE tax.
- Owner managers of incorporated enterprises — persons who work in their own incorporated enterprise. This group includes persons who draw a wage or salary for their work in their own incorporated enterprise.
- Owner managers of unincorporated enterprises — persons who operate their own unincorporated enterprise, including those engaged independently in a trade or profession.

4.47 The classification used in the 1998 Forms of Employment Survey is illustrated below. Note that the classification used in the 1998 survey was experimental, and will be revised for repeats of the survey in 2001 and beyond. The revised classification will be based on the employment type classification used in the Survey of Employment Arrangements and Superannuation, which is described below. A comparison of the employment type classifications used in the 1998 Forms of Employment Survey and the Survey of Employment Arrangements and Superannuation is also provided below.

4.3 EMPLOYMENT TYPE CLASSIFICATION — FORMS OF EMPLOYMENT SURVEY, 1998

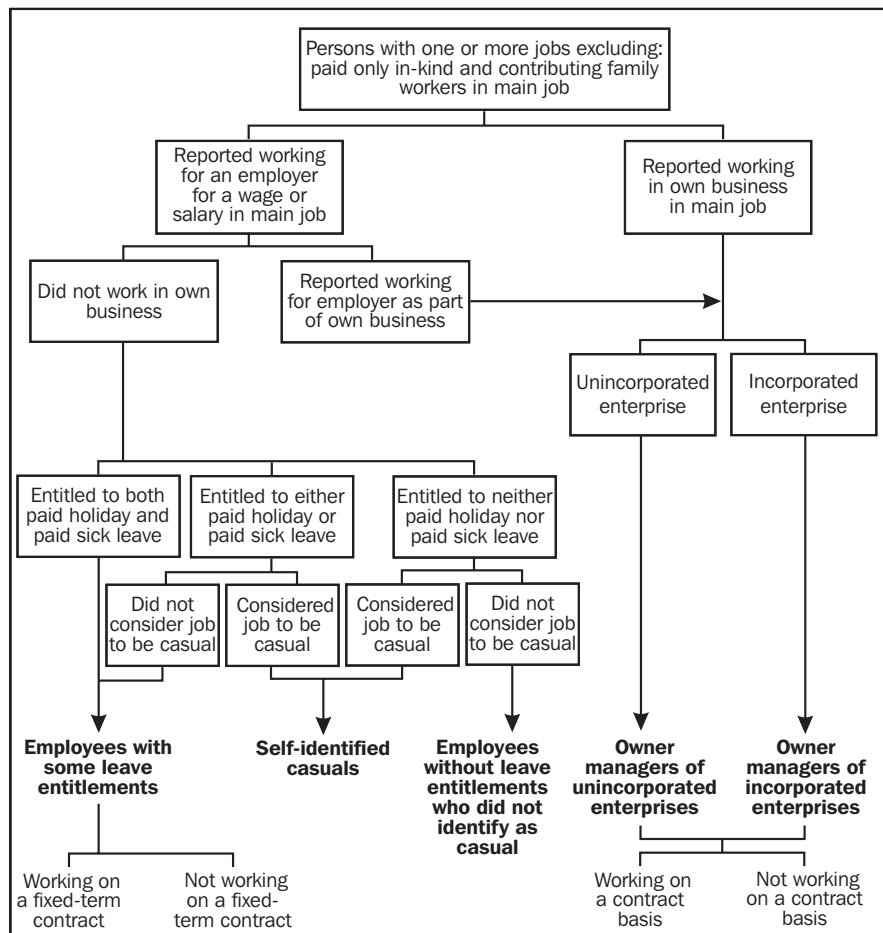


4.48 The Survey of Employment Arrangements and Superannuation also identifies five employment types: employees with any leave entitlements; self identified casuals; employees without leave entitlements; owner managers of incorporated enterprises; and owner managers of unincorporated enterprises. Three of these groups are then further classified as follows: employees with any leave entitlements as either holding a fixed-term employment contract or not; and both owner managers of incorporated enterprises and owner managers of unincorporated enterprises as either working on a contract basis or not. These groups are described in more detail below:

- Employees with some leave entitlements — persons who worked in someone else’s business, and were:
 - entitled to both paid holiday leave and sick leave; or
 - entitled to either paid holiday leave or sick leave, and did not consider their job to be casual.
- Employees with any leave entitlements are further classified as either working on a fixed-term contract or not.
- Self-identified casuals — persons who worked in someone else’s business, and were:
 - entitled to either paid holiday leave or sick leave (but not both), and considered their job to be casual; or
 - entitled to neither paid holiday leave nor sick leave, and considered their job to be casual.
- Employees without leave entitlements who did not identify as casual — persons who worked in someone else’s business, and were entitled to neither paid holiday leave nor sick leave, and did not consider their job to be casual.
- Owner managers of incorporated enterprises — persons who work in their own incorporated enterprise. This includes persons who draw a wage or salary for their work in their own incorporated enterprise. This group is further classified as working on a contract basis or not.
- Owner managers of unincorporated enterprises — persons who operate their own unincorporated enterprise, including those engaged independently in a trade or profession. This group is also further classified as working on a contract basis or not.

4.49 The classification used in the Survey of Employment Arrangements and Superannuation is illustrated in diagram 4.4.

4.4 EMPLOYMENT TYPE CLASSIFICATION — SURVEY OF EMPLOYMENT ARRANGEMENTS AND SUPERANNUATION



4.50 There are some important differences in the way in which people are classified to employment type categories in the 1998 Forms of Employment Survey and the Survey of Employment Arrangements and Superannuation. These differences are outlined below.

- *Entitled to either paid sick leave or paid holiday leave, but not both, and did not identify as casual* — in the Forms of Employment Survey, this group formed part of the ‘other employed persons’ category. In the Survey of Employment Arrangements and Superannuation, this group was treated as ‘employees with any leave entitlements’, i.e. in the same way as those who were entitled to both forms of paid leave.
- *Working in own unincorporated enterprise, and did not invoice or bill for own payment, and reported paying PAYE tax* — in the Forms of Employment Survey, this group was treated in a similar manner to employees excluding owner managers of incorporated enterprises. These workers were classified to different employment type categories according to their entitlements to paid leave and whether they considered their jobs to be casual. Thus these workers may be classified as ‘employees with leave entitlements’, ‘self-identified casuals’ or ‘other employed persons’. In the Survey of Employment Arrangements and Superannuation, these workers were retained in the category ‘owner managers of unincorporated enterprises’.
- *No paid leave entitlements but did not identify as casual* — people without any paid leave entitlements who did not identify as casual were classified as ‘other employed persons’ in the Forms of Employment Survey, but were separated into a group of their own in the Survey of Employment Arrangements and Superannuation.

4.51 All those making up the ‘other employed persons’ category in the Forms of Employment Survey were allocated to different categories in the Survey of Employment Arrangements and Superannuation, and so the category ‘other employed persons’ is not used in the latter survey.

4.52 Apart from these differences, there is an extra level of detail in the employment type categories of the Survey of Employment Arrangements and Superannuation: employees with some leave entitlements are subdivided into those working on a fixed-term contract and those not working on a fixed-term contract; and owner managers of incorporated and unincorporated enterprises are subdivided according to whether they are working on a contract basis.

OTHER EMPLOYMENT MEASURES

Working Arrangements

4.53 Measures of working arrangements supplement measures of hours of work, full-time and part-time status, and other classifications of jobholders (such as status in employment, permanent/casual status etc.) and are useful in understanding changing workplace employment conditions. Detailed information about working arrangements is collected in a number of ABS surveys: the supplements to the Labour Force Survey, namely the Working Arrangements Survey, the Forms of Employment Survey, the Locations of Work Survey, and the Employee Earnings, Benefits and Trade Union Membership Survey; and the Special Social Survey, namely the Survey of Employment Arrangements and Superannuation.

WORKING ARRANGEMENTS SURVEY

4.54 The Working Arrangements Survey (a supplement to the Labour Force Survey), collects information about: patterns of hours worked, including flexibility of start and finish times and ability to work extra hours in order to take time off; entitlement to rostered days off including whether there is choice in when a rostered day is to be taken off; overtime including regularity of overtime, whether usually works the same number of hours each week, number of overtime hours usually worked, methods of payment and main reason usually works overtime; shift work; part-time work including reasons for working part-time; job sharing; child-care arrangements; and recent absences from work including reason for absence, length of absence and type of leave taken. For further information on the content and methodology of the Working Arrangements Survey refer to Chapter 20 Section 16.

FORMS OF EMPLOYMENT SURVEY

4.55 The Forms of Employment Survey (a supplement to the Labour Force Survey), collects detailed information on a range of aspects of employment arrangements including: the temporary nature of work; whether paid by an employment agency; and whether owner managers pay PAYE tax (or equivalent) or draw a wage or salary. The survey classified jobholders according to their working relationship/type of work undertaken (see discussion above) and collected detailed information about the characteristics of each group including: occupation, and industry in which they were employed; continuous duration in current job and expected future duration in current job; whether earnings vary; hours worked and paid for; and preferences to change hours. Additional information was collected for various classifications of work relationships/types of work:

- for employees with leave entitlements — details of leave entitlements (paid holiday leave, paid sick leave and long service leave), superannuation coverage, details of the temporary nature of job (whether has a set employment completion date, whether employed on a fixed term contract, and whether expects contract to be renewed) and whether paid by an employment agency;
- for self-identified casuals — as above plus whether looked for alternative employment in the last three months, and whether looked for permanent employment;

- for other employed persons — details of leave entitlements, superannuation coverage, details of contract work undertaken (whether has more than one contract, whether can subcontract, whether can work for multiple clients under contract, whether has control over working procedures), details of the temporary nature of job, whether paid by an employment agency, and whether receives a payslip;
- owner managers of incorporated enterprises — whether has employees, details of leave entitlements, superannuation coverage, details of contract work undertaken, and whether draws a wage or salary from current business; and
- owner managers of unincorporated enterprises — whether has employees, whether invoices for own payment, details of contract work undertaken, and whether draws a wage or salary from current business.

4.56 For further information on the content and methodology of the Forms of Employment Survey refer to Chapter 20 Section 3.

SURVEY OF EMPLOYMENT ARRANGEMENTS AND SUPERANNUATION

4.57 As discussed previously, the Survey of Employment Arrangements and Superannuation also classifies jobholders according to their employment relationships/type of work undertaken and collects detailed information about jobholders' employment or working arrangements. Included in the survey are details of: superannuation; casual employment (based on leave entitlements and self-identification); occupation, industry and sector; the number and regularity of hours worked, additional hours/overtime, on call/stand-by, evening and weekend work, time in job/business and shift work; contract work; leave entitlements; occupational health and safety; home-based work; preferred working patterns; job duration and expected job duration; educational attainment; apprenticeships/traineeships; multiple jobholders; and trade union membership. For further information on the content and methodology of the Survey of Employment Arrangements and Superannuation refer to Chapter 21.

LOCATIONS OF WORK SURVEY

4.58 The Locations of Work Survey (a supplement to the Labour Force Survey), collects information on: where people work, such as their own home or employer's premises; and the working arrangements of persons who are working at home such as use of computers, time in job at home and information on how workers are paid. For further information on the content and methodology of the Locations of Work Survey refer to Chapter 20 Section 8.

EMPLOYEE EARNINGS, BENEFITS AND TRADE UNION MEMBERSHIP SURVEY

4.59 The Employee Earnings, Benefits and Trade Union Membership Survey (a supplement to the Labour Force Survey), collects information on: employee earnings; trade union membership; and employee benefits. Information collected on employee benefits includes: entitlement to paid holiday leave, paid sick leave and paid long service leave; and superannuation coverage. More detailed information on the receipt of a range of other employee benefits (including transport, telephone, holiday expenses, medical, low interest finance, housing, goods and services) is collected on a three yearly basis. For further information on the content and methodology of the Employee Earnings, Benefits and Trade Union Membership Survey refer to Chapter 20 Section 2.

CHAPTER 5

UNDEREMPLOYMENT

INTRODUCTION

5.1 A measure of underemployment supplements other measures of underutilisation of labour such as number of unemployed persons (Chapter 6) and number of discouraged jobseekers (Chapter 7). This chapter discusses the concepts and definitions underlying measures of underemployment.

CONCEPTS AND INTERNATIONAL GUIDELINES

5.2 Two forms of underemployment are recognised in the current international standards: time-related underemployment, which reflects insufficient hours of work in relation to an alternative employment situation that a person is willing and available to engage in; and inadequate employment situations, which refers to all those in employment who want to change their work activities and/or work environment for a set of reasons chosen according to national circumstances. Such reasons might include: insufficient use of skills and experience; inadequate income; and excessive hours. Employed persons may be simultaneously in time-related underemployment and inadequate employment situations.

5.3 Previous international standards on underemployment identified two concepts of underemployment: one reflecting an insufficient volume of work, referred to as visible underemployment; and one reflecting an insufficient use of skills and experience or low productivity, termed invisible underemployment. Visible underemployment is closely related to time-related underemployment, while invisible underemployment, as it was previously defined, is now one component of inadequate employment situations.

Time-Related Underemployment

5.4 According to the international standard, time-related underemployment exists when the hours of work of an employed person are below a threshold, and are insufficient in relation to an alternative employment situation in which the person is willing and available to engage. Table 5.1 sets out the international definition for time-related underemployment.

5.1 INTERNATIONAL DEFINITION OF TIME-RELATED UNDEREMPLOYMENT (ICLS 1998)

Persons in time-related underemployment comprise all employed persons (as defined in current international guidelines) who satisfy the following criteria:

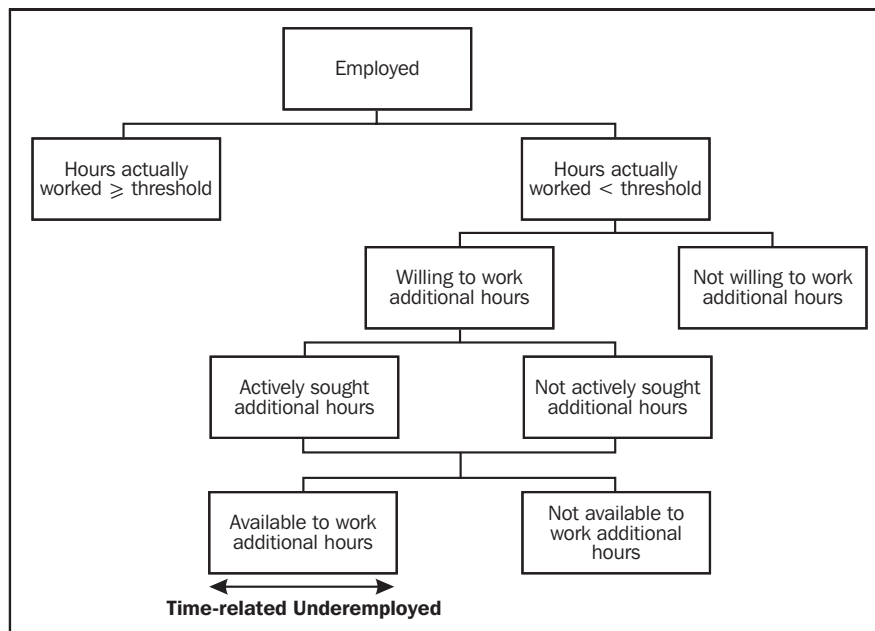
Willing to work additional hours, i.e. wanted another job (or jobs) in addition to their current job (or jobs) to increase their total hours of work; to replace any of their current jobs with another job (or jobs) with increased hours of work; to increase the hours of work in any of their current jobs; or a combination of the above. In order to show how 'willingness to work additional hours' is expressed in terms of action which is meaningful under national circumstances, those who have actively sought to work additional hours should be distinguished from those who have not. Actively seeking to work additional hours is to be defined according to the criteria used in the definition of active job search used for the measurement of the economically active population, also taking into account activities needed to increase the hours of work in the current job.

Available to work additional hours, i.e. are ready, within a specified subsequent period, to work additional hours, given opportunities for additional work. The subsequent period to be specified when determining workers' availability to work additional hours should be chosen in light of national circumstances and comprise the period generally required for workers to leave one job in order to start another.

Worked less than a threshold relating to working time, i.e. persons whose 'hours actually worked' in all jobs during the reference period, as defined in current international guidelines regarding working time statistics, were below a threshold, to be chosen according to national circumstances. This threshold may be determined by e.g. the boundary between full-time and part-time employment, median values, averages, or norms for hours of work as specified in relevant legislation, collective agreements, agreements on working time arrangements or labour practices in countries.

5.5 The concepts underpinning the international definition of time-related underemployment are shown in diagram 5.2. The framework classifies persons who satisfy each of the criteria outlined above — willingness to work additional hours (note that persons actively seeking additional hours of work are distinguished from those who are not); availability to work additional hours; and worked less than a threshold relating to working time — as time-related underemployed.

5.2 TIME-RELATED UNDEREMPLOYMENT: CONCEPTUAL FRAMEWORK



Time-Related
Underemployment *continued*

5.6 The current international standard also notes that:

- countries should, in addition, endeavour to identify all workers who were willing and available to work additional hours during the reference period, regardless of the hours they actually worked (i.e. including those who worked more than the threshold hours); and
- countries may want to estimate the volume of time-related underemployment by aggregating the number of days, half-days or hours that each person in time-related underemployment is willing and available to work in addition to the hours actually worked during the reference period without reference to a threshold.

Inadequate Employment
Situations

5.7 Indicators of inadequate employment situations describe situations in the workplace which reduce the capacities and wellbeing of workers as compared to an alternative employment situation. However, as noted in the international standard, the statistical definitions and methods necessary to describe inadequate employment situations still have to be developed further. As such, the standard does not define inadequate employment situations. The international standard does, however, identify a number of inadequate employment situations for which countries may wish to consider producing separate indicators. These include:

- skill-related underemployment — persons in this form of inadequate employment include employed persons who, during the reference period, wanted or sought to change their current work situation in order to use their current occupational skills more fully, and were available to do so;
- income-related underemployment — persons in this form of inadequate employment include employed persons who, during the reference period, wanted or sought to change their current work situation in order to increase income limited by factors such as those listed below, and were available to do so. Factors contributing to income-related underemployment include: low levels of organisation of work or productivity; insufficient tools and equipment; insufficient training; and deficient infrastructure; and
- inadequate employment related to excessive hours — situations where employed persons wanted or sought to work fewer hours than they did during the reference period, either in the same job or in another job, with a corresponding reduction of income.

5.8 For practical reasons, ABS measurement of underemployment is confined to time-related underemployment. The ABS underemployment framework is based on separating employed persons into three mutually exclusive groups:

- fully employed workers;
- part-time workers who want to work more hours; and
- full-time workers who worked part-time in the reference week for economic¹ reasons.

5.9 Fully employed workers comprise: employed persons who worked full-time during the reference week (includes persons who usually work part-time); employed persons who usually work full-time but worked part-time in the reference week for non-economic² reasons; and part-time workers (usually work part-time and did so in the reference week³) who do not want to work additional hours. Full-time workers who worked part-time in the reference week for non-economic reasons are considered to be fully employed because they usually work full-time, and worked part-time in the reference week voluntarily.

5.10 Persons who are not fully employed comprise: part-time workers (usually work part-time and did so in the reference week) who want to work more hours; and full-time workers who worked part-time in the reference week for economic reasons. Time-related underemployed workers (as defined in the ILO guidelines) are a subgroup of persons 'not fully employed'.

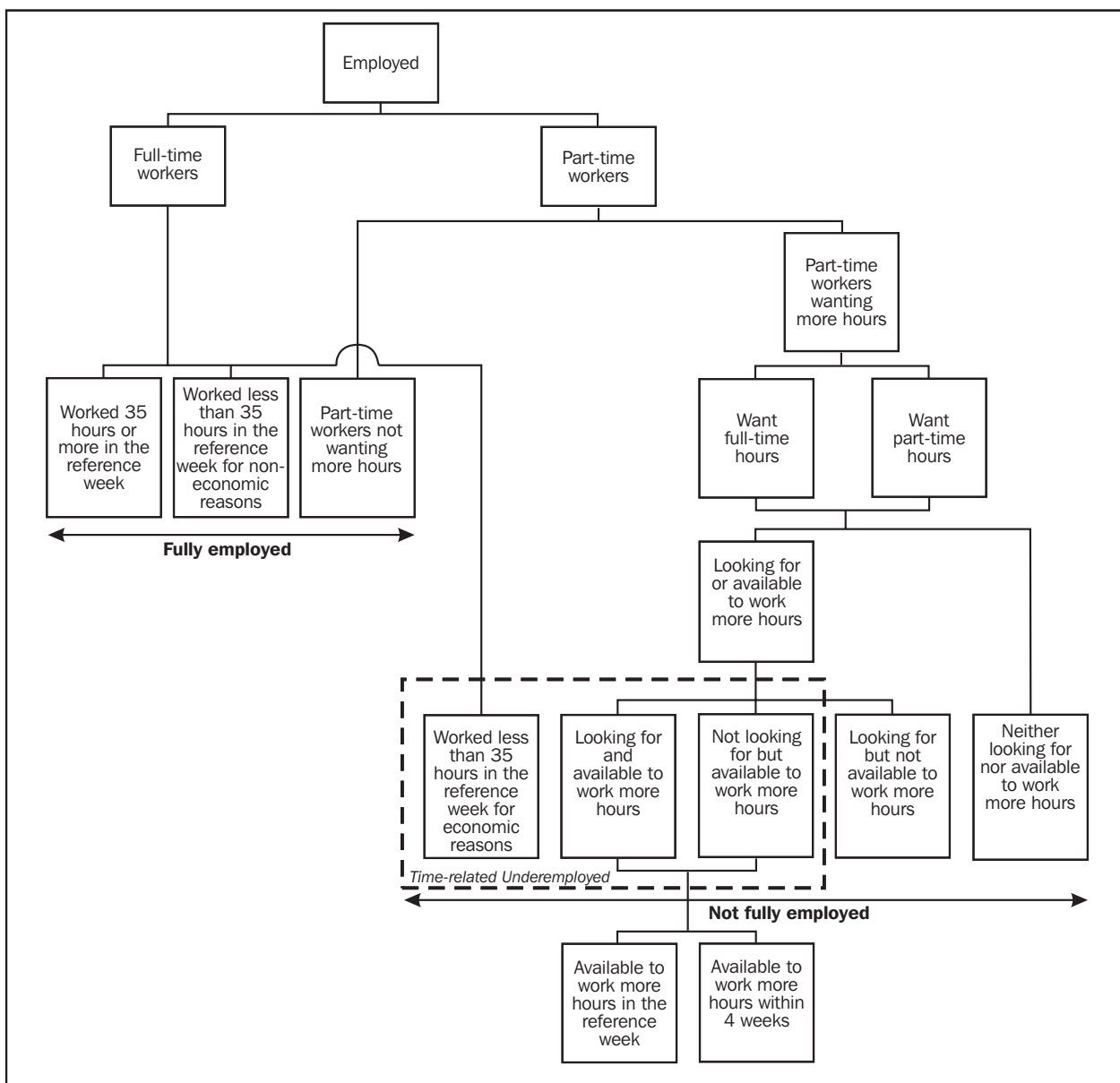
5.11 The ABS underemployment framework further classifies persons who are not fully employed according to whether they were looking for and/or available to start work with more hours, and according to the number of additional hours sought. The framework identifies: persons wanting full-time hours; persons wanting more part-time hours; persons who looked for extra work during the four weeks prior to the survey; and persons who were available to start extra work (either in the reference week or in the four weeks subsequent to the survey). It is assumed that full-time workers who worked part-time in the reference week for economic reasons wanted to work full-time in the reference week and would have been available to do so. The ABS underemployment framework is set out in diagram 5.3.

1 Economic reasons include being stood down, or insufficient work being available.

2 Non-economic reasons include: illness or injury; leave, holiday or flextime; and personal reasons.

3 For further information on the full-time/part-time employment classification refer to Chapter 4.

5.3 ABS UNDEREMPLOYMENT FRAMEWORK



Comparison of ABS and International Definitions

5.12 The ABS underemployment framework is consistent with the ILO concept of time-related underemployment, although the international standards do not specifically identify the group ‘fully employed workers’ as is the case in the ABS framework.

WORKED LESS THAN A THRESHOLD RELATING TO WORKING TIME

5.13 The international definition of time-related underemployment includes a threshold relating to working time. Only persons actually working less than the threshold should be included in statistics of time-related underemployment. The international standards do not specify the threshold to be used. Instead they suggest a number of alternative approaches which may be suitable.

WORKED LESS THAN A THRESHOLD RELATING TO WORKING TIME *continued*

5.14 The threshold used in the ABS underemployment framework is based on the boundary between full-time and part-time work. Only those employed persons actually working less than 35 hours in the reference week may be further classified as not fully employed. Persons actually working less than 35 hours in the reference week include part-time workers (persons who usually work part-time and did so in the reference week), as well as some full-time workers who actually worked part-time hours in the reference week. However, only full-time workers who worked part-time in the reference week for *economic* reasons are classified as not fully employed in the ABS framework. Those who worked part-time in the reference week for non-economic reasons are assumed to be fully employed, on the basis that they usually work full-time, and that they 'voluntarily' worked part-time in the reference week (see paragraphs 5.8 to 5.10).

5.15 Outlined in paragraph 5.6 is a recommendation contained in the international standards that countries endeavour to identify all workers willing and available to work additional hours, regardless of the hours actually worked during the reference period, i.e. involving relaxation of the threshold relating to working time. The ABS collected some information on employees' preferences for additional hours of work (irrespective of how many hours usually worked) in the 2000 Survey of Employment Arrangements and Superannuation. For further information on the 2000 Survey of Employment Arrangements and Superannuation see Chapter 21.

WILLINGNESS TO WORK ADDITIONAL HOURS

5.16 In the ABS framework, willingness to work additional hours is tested by asking part-time workers whether they *want* to work additional hours. However, additional information on whether respondents have *actively looked* for additional hours of work is also collected using the same active job search criteria as used for determining unemployment. This information is used to distinguish those who have actively sought to work additional hours from those who have not. This approach is also consistent with the international standards.

AVAILABILITY TO WORK ADDITIONAL HOURS

5.17 In the ABS framework, availability to work additional hours is determined both in terms of immediate availability (i.e. available in the reference week), and availability within the following four weeks. The international guidelines are not prescriptive on this issue.

VOLUME OF TIME-RELATED UNDEREMPLOYMENT

5.18 As outlined in paragraph 5.6, the international standards state that countries may wish to estimate the volume of time-related underemployment. In the annual Labour Force Survey supplementary topic, Underemployed Workers (see paragraph 5.23), information is collected about usual hours worked and preferred number of extra hours, enabling estimates of the total number of additional hours wanted per week to be compiled.

DATA SOURCES

5.19 Estimates of persons not fully employed are available from:

- the Labour Force Survey; and
- the supplement to the Labour Force Survey, the Underemployed Workers Survey.

Labour Force Survey

5.20 The Labour Force Survey collects information on underemployment on a quarterly basis. The survey classifies workers according to the framework outlined above with the following restriction:

- for part-time workers wanting more hours of work, the four week reference period is not used to determine availability. Instead availability is determined using only the reference week (the week before the survey).

5.21 The criteria used in the Labour Force Survey are analogous to the criteria for determining unemployment (that is, actively looking for work and available for work in the reference week). Additional information is also available on full-time workers who usually work part-time hours including: whether want more hours of work; whether looking for more hours of work; and whether available to start more hours of work in the reference week.

5.22 For more information on the content and methodology of the Labour Force Survey, see Chapter 19.

Supplementary Survey: Underemployed Workers

5.23 The annual Labour Force Survey supplementary topic, Underemployed Workers, is the primary ABS data source on underemployment. The survey classifies workers according to the framework outlined above, comparable with ICLS 1998 and the Labour Force Survey quarterly measure, but with a much wider range of information, for example, on the number of hours usually worked, number of preferred hours, steps taken to find work, and difficulties finding work. For more information on the content and methodology of this survey, see Chapter 20 Section 14.

CHAPTER 6

UNEMPLOYMENT

INTRODUCTION

6.1 The labour force framework discussed in Chapter 2 categorises the population into three mutually exclusive groups: employed; unemployed; and not in the labour force. This chapter discusses in detail the concept of unemployment, and contrasts the measures of unemployment collected in the Labour Force Survey with those collected elsewhere. The chapter also discusses a range of classifications and measures that are related to unemployment.

CONCEPTS AND INTERNATIONAL GUIDELINES

6.2 The international definition of unemployment (Thirteenth ICLS 1982) requires the simultaneous satisfaction of each of the following criteria:

- without work;
- actively seeking work; and
- currently available for work.

6.3 Unemployed persons are therefore defined as persons who, during a specified reference period, meet all of the above criteria. In surveys applying the international standards, the active job search criterion is waived for persons waiting to start a new job that they have already obtained.

Without Work

6.4 The purpose of the 'without work' criterion is to ensure that employment and unemployment are mutually exclusive. As precedence is given to employment, a person should only be classified as unemployed if they do not satisfy the criteria for employment. The 'without work' criterion refers to a total lack of work, that is, not in paid employment or self-employment, as defined in international standards for employment (refer to Chapter 3). Persons who should be considered without work therefore should not have undertaken any work at all (not even for one hour) during the reference period, nor should they have been temporarily absent from a job to which they have a formal attachment.

Actively Seeking Work

6.5 The 'actively seeking work' criterion requires that at least one active step to seek work (in either a paid employment job or a self-employment job) must be taken in the reference period. Active steps to seek employment include: "registration at a public or private employment exchange; application to employers; checking worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land, building, machinery, or equipment to establish own enterprise; arranging for financial resources; applying for permits and licences, etc." (Thirteenth ICLS 1982). According to the definition, the job search period may be extended into the period prior to the basic reference period for the collection. The purpose of extending the job search period in this way is to take account of time lags which often follow initial steps to obtain work, and during which jobseekers may not take any other initiatives to find work (e.g. while waiting for outcomes of job applications). A four week reference period is suggested in the guidelines as the practical maximum for a survey of a monthly frequency.

6.6 In conformity with the activity principle of the labour force framework, the international guidelines consider that the active job search criterion is predicated on these views:

- a person must have done something specific to obtain work before being classified as 'seeking work'; and
- a general declaration of being in search of work is not sufficient.

6.7 The active job search criterion is waived for persons waiting to start a new job that they have already obtained and that is to begin after the end of the reference period¹ (these persons are referred to as future starters). According to the international standards, such persons need only meet the 'without work' and 'available for work' criteria. The international guidelines state that the active search criterion is waived because, having already secured employment, persons waiting to take up a job may not feel the need to look for work. Further, the guidelines consider that this group should be treated as unemployed rather than employed because, being currently available to start work, such persons would presumably have started work had the job begun earlier and, as such, this group forms part of currently underutilised labour resources.

6.8 The availability criterion serves as a test of readiness to start work, in conformity with the aim of providing a current stock measure of the labour supply. In order to be classified as unemployed, persons must be available to start work in the reference period. Persons not available to start work in the reference period (for example, because of impediments to take up work such as family responsibilities, illness, etc.) should be excluded from estimates of unemployment. While the international standards recommend that the reference period for the availability criterion be the same as the basic reference period for the collection, it is recognised that many countries prefer to extend the time period forward beyond that reference period. Reasons for choosing a longer reference period include: the fact that not everyone who is seeking work can be expected to take up a job immediately when one is offered; and the fact that there are certain forms of employment where workers are employed on a pay period basis and are required to wait until the commencement of a new pay period before taking up work.

1 The international guidelines make no recommendation about the length of the waiting period which should be applied to persons waiting to start a new job that they have already obtained and that is to begin after the end of the reference period. However, the guidelines do recognise that a period of four weeks offers greater precision than an unspecified period.

DEFINITIONS USED IN ABS SURVEYS

6.9 The ABS produces estimates of unemployment from most household surveys. The Labour Force Survey is designed to produce precise estimates of unemployment (and employment), and the definition used aligns closely with the international definitions outlined above. In other household surveys where unemployment is an explanatory or classificatory variable it is generally not practical to define unemployment as precisely as in the Labour Force Survey. While estimates of unemployment produced from these collections are designed to be consistent with the international concept of unemployment, the definition used is slightly broader than that used in the Labour Force Survey. Two alternative questionnaire modules are used to collect data on unemployment in these surveys — the reduced questionnaire module (for use in personal interview) and the self-enumerated questionnaire module.

Labour Force Survey

6.10 The definition of unemployment used in the Labour Force Survey aligns closely with the concepts and international definitions outlined above. Unemployed persons are defined as all persons 15 years of age and over who were not employed during the reference week, and:

- had actively looked for full-time or part-time work at any time in the four weeks up to the end of the reference week and:
 - were available for work in the reference week; or
 - were waiting to start a new job within four weeks from the end of the reference week, and could have started in the reference week if the job had been available then.

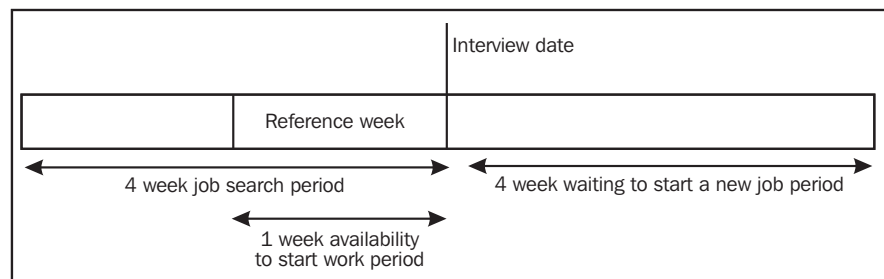
6.11 ‘Actively looking for work’ encompasses a range of formal and informal job search activities and includes: writing, telephoning or applying in person to an employer for work; answering an advertisement for a job; checking factory noticeboards or the touchscreens at Centrelink offices; being registered as a job seeker with the government agency, Centrelink; checking or registering with any other employment agency; advertising or tendering for work; and contacting friends or relatives. Persons actively looking for self-employment jobs (such as looking for a business or to purchase a lease) are also treated as looking for work.

6.12 Persons who only looked in newspapers or read job advertisements are seen as passively, rather than actively looking for work, and so are not considered unemployed. The ABS view is that ‘only looked in newspapers’ does not meet the active search criterion, nor does simply looking at job advertisements on the Internet. For example, ‘only looked in newspapers’ is clearly incapable of finding work without some additional, active, job search step (for example, contacting the employer).

6.13 Future starters are those persons who were not employed during the reference week, and were waiting to start a job within four weeks from the end of the reference week, and could have started in the reference week if the job had been available then. The current Labour Force Survey definition of unemployed only includes the subset of futurestarters who had actively looked for work in the four weeks to the end of the reference week (see paragraph 6.10). However, ILO guidelines do not require future starters to be actively looking for work in order to be classified as unemployed (see paragraph 6.7). Hence, the current Labour Force Survey treatment of future starters is not fully consistent with the ILO standards because the precondition of active job search is not waived, with the result that some future starters are defined as 'not in the labour force'.

6.14 Different reference periods apply for defining not employed, availability to start work, job search, and waiting to start a new job. These are summarised in diagram 6.1. The short, one week reference period ('reference week') is used in defining those 'not employed', and in determining their availability for work, in accordance with the international guidelines. For active job search, a longer (four week) period that includes the reference week is applied. For future starters, a period of four weeks is used for the length of the waiting period beyond the reference week in which the job will commence.

6.1 REFERENCE PERIODS USED IN THE LABOUR FORCE SURVEY FOR DETERMINING UNEMPLOYMENT



6.15 Most other ABS household surveys use one of the two alternative questionnaire modules (the reduced questionnaire module used for personal interviews, or the self-enumerated questionnaire module) to produce unemployment estimates. As discussed above, unemployment is defined somewhat more broadly in these modules than in the Labour Force Survey.

6.16 Most Special Social Surveys use the reduced questionnaire module for personal interviews. Unemployment in this module is defined as persons aged 15 years and over who were not employed during the reference week, but who had actively looked for work and were available to start work. In comparison with estimates of unemployment from the Labour Force Survey, the module recommended for use in personal interviews results in reduced estimates of unemployment. This arises from the simplified treatment of certain categories of persons:

- the reduced questionnaire module for personal interviews does not ask respondents who were not available to start work the reasons they were not available during the reference week. Therefore, the reduced questionnaire module does not identify persons who looked for work in the four weeks to the end of the reference week, but were not available to start work in the reference week because they were waiting to start a new job within four weeks from the end of the reference week (and could have started in the reference week if the job had been available then). Using the reduced questionnaire module such persons are classified as not in the labour force rather than as unemployed (about 1% of unemployed); and
- in the Labour Force Survey, persons on workers compensation 'last week' and not returning (or 'don't know if returning to work'), and persons away from work for four weeks or more without pay, are classified as either unemployed or not in the labour force. Using the reduced module, all persons absent from work, but who usually work one hour or more a week, are classified as employed (about 0.1% of employed).

6.17 The self-enumerated questionnaire module used in the Census of Population and Housing also produces different estimates of unemployment when compared to the Labour Force Survey. Some differences result from the shortened set of questions, which cannot determine unemployment as precisely as the Labour Force Survey. Other differences result from the self-enumeration nature of the questions and the inevitable differences in interpretation among respondents. As a result, estimates of unemployment from the self-enumerated questionnaire module are best used as explanatory or classificatory variables to explain other phenomena, rather than for detailed analysis of the labour force itself.

DATA SOURCES

6.18 Unemployment estimates, along with employment estimates and estimates of persons not currently economically active, are available from:

- the Labour Force Survey;
- various supplementary topics to the Labour Force Survey;
- the Census of Population and Housing; and
- Special Social Surveys.

Labour Force Survey

6.19 The Labour Force Survey is the official source for Australian employment and unemployment statistics. The definition of unemployment used in the Labour Force Survey is outlined above. The Labour Force Survey uses a comprehensive and detailed set of questions to precisely measure the numbers and certain characteristics of persons in employment and unemployment as well as persons not currently economically active. Estimates from the Labour Force Survey are available by State/Territory, capital city/rest of State, and 67 sub-State regions (see Chapter 15 for more information on geographic classifications available from ABS household surveys). For more detail on the content and methodology of the Labour Force Survey see Chapter 19.

Labour Force Supplementary Surveys

6.20 A number of surveys that supplement the Labour Force Survey collect detailed information on unemployment including:

- Job Search Experience of Unemployed Persons Survey — for persons currently unemployed, this survey collects details on steps taken to find work and barriers encountered in finding work (Chapter 20 Section 4); and
- Successful and Unsuccessful Job Search Experience Survey — for persons who have looked for work in the 12 months prior to the survey date, this survey collects details on the ways in which they searched for work and, in particular, those which proved successful (Chapter 20 Section 13).

6.21 The definition of unemployment used in the supplementary topics is usually the same as the definition used in the Labour Force Survey, but there may be some differences in scope across collections. For more information on the content and methodology of these collections refer to the chapters listed above.

Census of Population and Housing

6.22 As discussed in paragraph 6.17, the Census of Population and Housing uses the self-enumerated questionnaire module to produce unemployment estimates consistent with the international standards. However, because the self-enumerated questionnaire module defines unemployment less precisely than the Labour Force Survey, estimates produced are not strictly comparable with those from the Labour Force Survey. For these reasons, unemployment estimates from the Census should be used with caution in analyses where labour force activities are a major focus. When comparing estimates of unemployment from the Census of Population and Housing with those produced from the Labour Force Survey, users should also note differences between the two surveys in scope (for example, the inclusion of permanent defence forces in Census employment data) and methodology. Estimates from the Census are available down to the statistical local area level². Refer to Chapter 18 for further information on the Census of Population and Housing.

2 Statistical local areas (SLAs) consist of one or more Census collection districts. In aggregate, SLAs cover the whole of Australia without gaps or overlaps. An SLA consists of a single local government area, or part thereof, or any unincorporated area. For further information refer to Chapter 15.

Special Social Surveys

6.23 As discussed in paragraph 6.16, the Special Social Surveys generally use the reduced questionnaire module to produce unemployment estimates consistent with the international standards. However, because the reduced questionnaire module defines unemployment less precisely than the Labour Force Survey, estimates produced are not strictly comparable with those from the Labour Force Survey. When comparing estimates from the Special Social Surveys with those from the Labour Force Survey, users should also note differences in scope and methodologies across the collections.

6.24 The labour-related Special Social Surveys, namely the Survey of Employment Arrangements and Superannuation (Chapter 21) and the Survey of Employment and Unemployment Patterns (Chapter 22), both produced estimates of unemployment. Unlike most Special Social Surveys, neither of these surveys used the reduced questionnaire module to produce measures of unemployment as described above. Instead, both surveys used the full set of questions asked in the Labour Force Survey. For more information on these surveys refer to the chapters listed above.

MEASURES OF UNEMPLOYMENT

Unemployment Rate

6.25 The unemployment rate for any group is defined as the number of unemployed persons expressed as a percentage of the labour force (employed plus unemployed). As a measure of the proportion of the labour force that is underutilised, its most important use is as an indicator of the performance of the economy. A high rate of unemployment indicates limited employment opportunities in a labour market that is in a situation of oversupply. A low rate of unemployment indicates a tight labour market, potential scarcity of skilled labour, and future cost pressures from wage demands from workers.

6.26 The trend over time in the overall unemployment rate serves as a current economic indicator of the performance of the economy at large, while the unemployment rate for different groups of people (e.g. younger people, older people, females) identifies areas of social concern when rates for some groups are much higher than for others.

Duration of Unemployment

6.27 Conceptually, duration of unemployment is the period of time during which an unemployed person has been in a continuous state of unemployment. To measure this period accurately would require that all three criteria for defining an unemployed person be satisfied continuously and simultaneously over the whole period (i.e. without paid work, actively looking for work and available to commence work). However, it is impractical to apply all three criteria with respect to past periods in a household survey because of the lengthy and complex questioning needed to test for the criteria, and the memory recall difficulties of respondents. For this reason, in practice the measurement of duration of unemployment focuses on the period of time that a person has been without paid work, and has been looking for work.

Duration of Unemployment
continued

6.28 Duration of unemployment is defined as the elapsed period to the end of the reference week since the time a person began looking for work, or since a person last worked for two weeks or more, whichever is the shorter. Brief periods of work (of less than two weeks) since the person began looking for work are disregarded.

CHAPTER 7

NOT IN THE LABOUR FORCE

INTRODUCTION

7.1 This chapter discusses the concept 'not in the labour force'. It follows on from the discussion on employment (Chapter 3) and unemployment (Chapter 6) and concludes the discussion on the currently economically active population.

CONCEPTS AND INTERNATIONAL GUIDELINES

7.2 According to the international standards (Thirteenth ICLS 1982), the population not currently economically active (that is, not in the labour force) comprises all people not currently employed or unemployed, irrespective of age. Theoretically, then, those not in the labour force include children and young people below the age specified for measuring the economically active population, and older people who have retired from the workforce. The standards recognise that, for analytical purposes, the economically active population may be related to the total population for the derivation of a crude participation rate or, more appropriately, to the population above the age prescribed for the measurement of the economically active population. In practice, many countries restrict the population scope of household surveys, and provide separately sourced estimates for those below the age limit when a total population estimate or a crude participation rate is required (e.g. for international reporting).

7.3 Not all persons who are classified as not in the labour force are voluntarily inactive; some want to work but are classified as not in the labour force because they do not satisfy the criteria for unemployment (active job search and availability to start work — see Chapter 6 for further discussion).

7.4 The international guidelines (ICLS 1982) recommend that persons not in the labour force may be classified by reasons for inactivity, which are listed as:

- attendance at educational institutions;
- engagement in household duties;
- retirement or old age; and
- other reasons such as infirmity or disablement.

Marginal Attachment to the Labour Force

7.5 The international guidelines (ILO 1982) suggest that, where the standard definition of employment is used, countries develop classifications of persons not in the labour force according to the relative strength of attachment to the labour market. The ILO, in its manual *Surveys of Economically Active Population, Employment, Unemployment and Underemployment*, states that persons marginally attached to the labour force are those not economically active under the standard definitions of employment and unemployment, but who, following a change in one of the standard definitions (of employment or unemployment), would be reclassified as economically active.

DISCOURAGED WORKERS

7.6 The guidelines recognise that, though not precise in concept (nor defined in the international guidelines), the term 'discouraged worker' generally refers to people who want a job and are currently available for work but have given up any active job search because they believe they cannot find a job. Discouraged workers are a small component of the marginally attached.

DEFINITIONS USED IN ABS SURVEYS

7.7 The ABS produces estimates of persons not in the labour force in a number of household surveys. The definition used is consistent with the concepts outlined above except for persons younger than 15 years of age who are generally excluded from ABS measures of labour force status, and for whom separate estimates are available when required. Persons not in the labour force are therefore generally defined in ABS household collections as 'persons aged 15 years and over who were neither employed nor unemployed'. Those not in the labour force include people who were:

- keeping house (unpaid);
- retired;
- only in education (students);
- not working and not wanting to work (voluntarily inactive);
- permanently unable to work;
- in institutions (hospitals, gaols, sanatoriums, etc.);
- members of contemplative religious orders; or
- only undertaking unpaid voluntary work for a charitable organisation.

7.8 Estimates of persons not in the labour force vary across different household surveys. This results from differences in the definitions of employment and unemployment used in these surveys. As discussed in preceding chapters, the Labour Force Survey is designed to produce precise estimates of employment, unemployment and not in the labour force, and definitions used align closely with international standards. In other household surveys, it is generally not practical to define employment and unemployment as precisely as in the Labour Force Survey. While estimates of employment, unemployment and persons not in the labour force are designed to be consistent with the international definitions, the definitions used differ slightly from those outlined in the international standards. Two alternative questionnaire modules are used to collect measures of employment, unemployment and persons not in the labour force in these surveys — the reduced questionnaire module (for use in personal interview) and the self-enumerated questionnaire module.

7.9 Estimates of persons not in the labour force produced from the reduced questionnaire module (used in most Special Social Surveys) differ from those produced from the Labour Force Survey. Estimates produced from the reduced questionnaire module are higher than those produced from the Labour Force Survey. This results from differences in the treatment of certain categories of persons:

- the reduced questionnaire module for personal interviews does not ask respondents who were not available to start work the reasons they were not available during the reference week. Therefore, the reduced questionnaire module does not identify persons who looked for work in the four weeks to the end of the reference week, but were not available to start work in the reference week because they were waiting to start a new job within four weeks from the end of the reference week (and could have started in the reference week if the job had been available then). Using the reduced questionnaire module such persons are classified as not in the labour force rather than as unemployed (about 1% of unemployed); and
- in the Labour Force Survey, persons on workers' compensation last week and not returning or 'don't know if returning' to work, and persons away from work for four weeks or more without pay, are classified as either unemployed or not in the labour force. Using the reduced questionnaire module, all cases of absence responding as usually working one hour or more a week, are classified as employed (about 0.1% of employed).

7.10 The self-enumerated questionnaire module (used in the Census of Population and Housing) also produces different estimates of persons not in the labour force when compared to the Labour Force Survey. Some differences result from the shortened set of questions, which cannot determine labour force status as precisely as the Labour Force Survey. Other differences result from the self-enumeration nature of the questions and the inevitable differences in interpretation across respondents. As a result, estimates of persons not in the labour force from the self-enumerated questionnaire module are best used as explanatory or classificatory variables to explain other phenomena, rather than for detailed analysis of the labour force itself.

7.11 Measures of persons marginally attached to the labour force and discouraged job seekers are collected by the ABS annually in a supplementary survey to the Labour Force Survey, the Persons Not In the Labour Force Survey. Definitions used in this survey are outlined below.

MARGINAL ATTACHMENT

7.12 Persons with marginal attachment to the labour force comprise those persons who are not in the labour force, who wanted to work, and:

- had actively looked for work (in the four weeks up to the end of the survey reference week) but did not meet the availability criterion to be classified as unemployed; or
- were not actively looking for work but were available to start work within four weeks (from the end of the reference week) or could start work (within four weeks from the end of the reference week) if child care was available.

7.13 This definition is consistent with that suggested by the international guidelines, and involves relaxing the criteria used to determine unemployment in the Labour Force Survey as follows:

- persons meeting the first set of criteria above (wanting to work, actively looking for work, not available to start work) would have been classified as unemployed if the unemployment criterion 'currently available for work' had been waived;
- persons meeting the second set of criteria above (wanting to work, not actively looking for work, available to start within four weeks) would have been classified as unemployed if the unemployment criterion 'active job search' had been waived and the criterion 'currently available for work' had been relaxed to include the next four weeks. The circumstances which would permit people to start a job are likely to differ between people in the labour force and those not in the labour force. Accordingly, a reference period of four weeks for the availability criterion is adopted rather than current availability, as for the unemployed.

DISCOURAGED JOB SEEKERS

7.14 Discouraged job seekers are defined as persons with marginal attachment to the labour force who wanted to work and were available to start work within the next four weeks, but whose main reason for not actively looking for work was that they believed they would not find a job for any of the following reasons:

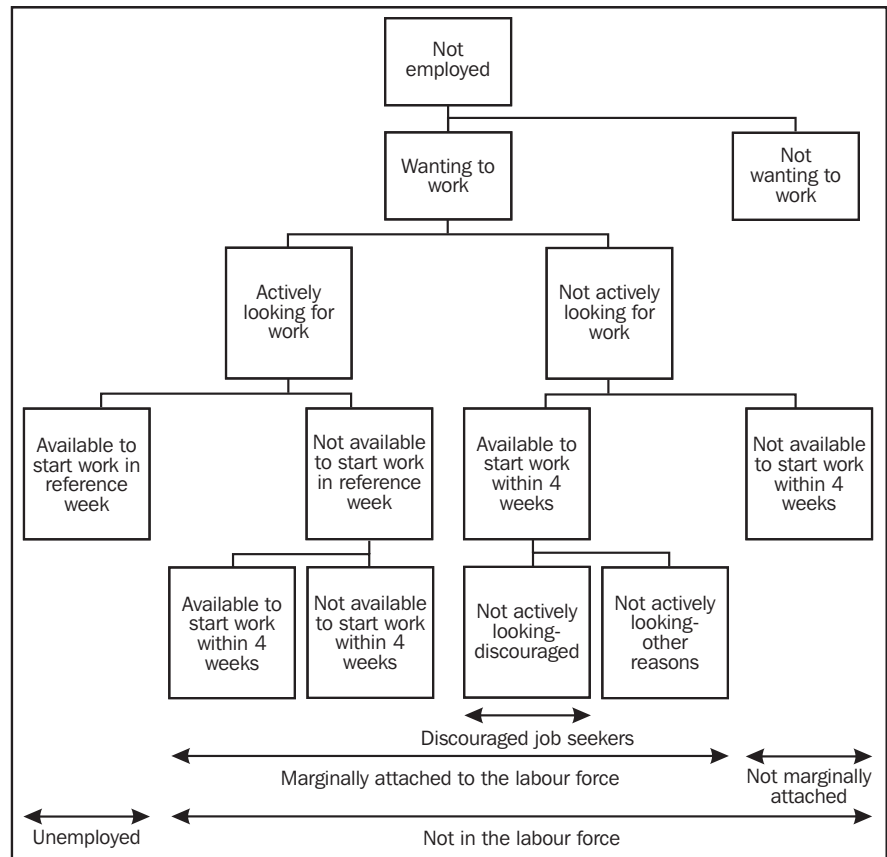
- considered to be too young or too old by employers;
- lacked necessary schooling, training, skills or experience;
- difficulties with language or ethnic background;
- no jobs in their locality or line of work; or
- no jobs available at all.

This definition of discouraged job seekers is consistent with the definition of discouraged workers outlined in international guidelines.

Marginal Attachment to the Labour Force, Discouraged Job Seekers *continued*

7.15 Diagram 7.1 illustrates the concepts of not in the labour force, unemployed, marginally attached, and discouraged job seekers, as measured in the Persons Not In the Labour Force Survey.

7.1 CONCEPTUAL FRAMEWORK: PERSONS NOT IN THE LABOUR FORCE



DATA SOURCES

7.16 Estimates of persons not in the labour force are available from:

- the Labour Force Survey;
- the supplement to the Labour Force Survey, the Persons Not In the Labour Force Survey;
- the Census of Population and Housing; and
- Special Social Surveys.

Labour Force Survey

7.17 The Labour Force Survey is the official source for Australian employment and unemployment statistics and defines persons not in the labour force according to the definitions outlined above, using the full questionnaire module. In the survey, persons not in the labour force are further classified as:

- looking for work (i.e. either undertook active job search and were not available to commence work, or undertook only passive job search);
- not looking for work;
- permanently unable to work; and
- in institutions.

7.18 Estimates of reason for inactivity, marginal attachment and discouraged job seekers are impractical to collect in the regular labour force survey, on the grounds of cost, time and respondent burden. These topics are therefore measured in an annual supplement to the Labour Force Survey, as noted below. Notwithstanding this, the Labour Force Survey produces estimates, on a quarterly frequency, of the number of marginally attached persons who had actively looked for work, were not available to start work in the reference week, but were available to start within four weeks. For more details on the content and methodology of the Labour Force Survey refer to Chapter 19.

Supplementary Survey: Persons Not in the Labour Force

7.19 The supplement to the Labour Force Survey, the Persons Not In the Labour Force Survey is the primary source for detailed information on persons not in the labour force. Persons not in the labour force are defined as for the Labour Force Survey, but the scope of the survey is restricted to persons aged 15–69 years. The survey produces estimates of persons marginally attached to the labour force, of discouraged job seekers, and of persons not in the labour force classified by reasons for inactivity. The definitions for marginal attachment and discouraged job seekers used in the survey are discussed above. For further information on the content and methodology of the survey refer to Chapter 20 Section 10.

Census of Population and Housing

7.20 The Census of Population and Housing uses the self-enumerated questionnaire module and defines persons not in the labour force as ‘persons aged 15 years and over who, during the week before census night, were neither employed nor unemployed’. As discussed previously, the self-enumerated questionnaire uses a limited set of questions to collect labour force status in the Census and measures persons not in the labour force more broadly than collections using the full questionnaire modules, including the Labour Force Survey and its supplementary topic Persons Not In the Labour Force. When comparing estimates from the Census with those from the Labour Force Survey, or the Persons Not In the Labour Force Survey, users should also note differences in scope and methodologies across the collections. Estimates of persons not in the labour force from the Census are available down to the SLA level.

7.21 The Special Social Surveys generally use the reduced questionnaire module and define persons not in the labour force as 'persons who were neither employed nor unemployed during the reference period'. Estimates are generally only produced for persons (in scope of the survey) aged 15 years and over. As discussed previously, the reduced questionnaire module uses a limited set of questions to determine labour force status, and measures not in the labour force more broadly than collections using the full questionnaire modules, including the Labour Force Survey and its supplementary topic Persons Not In the Labour Force. When comparing estimates from the Special Social Surveys with the Labour Force Survey, or with its supplementary topic Persons Not In the Labour Force, users should also note differences in scope and methodologies across the collections.

CHAPTER 8

USUALLY ECONOMICALLY ACTIVE POPULATION

INTRODUCTION

8.1 As discussed in Chapter 2, there are two measures of the economically active population: the currently active population, and the usually active population. This chapter discusses the concepts and measures of the usually active population. Chapters 4 to 7 discussed concepts and measures of the currently active population.

CONCEPTS AND INTERNATIONAL GUIDELINES

8.2 International guidelines on the usually economically active population (Thirteenth ICLS 1982) recommend collection of statistics of usual activity to complement statistics of current activity. Whereas current activity measures provide a snapshot of the economically active population at a point in time, usual activity measures provide a picture of the economically active population over a long period not affected by seasonal patterns of activity, or other labour force movements. The usual activity framework permits the collection of information not only on the main activity of individuals over a long period, but also on their other activities during that period. While this measure is particularly appropriate where frequent collection of the currently active population is not practical, usual activity measures also allow for extended analysis of various aspects of labour dynamics, and of employment and income relationships. Commonly, measurement of the usually active is combined with measures of the currently active in the same survey.

8.3 The ILO, in its manual *Surveys of Economically Active Population, Employment, Unemployment and Underemployment*, outlines a framework for measurement of the usually active population and contrasts it with the framework of the currently active population (the labour force framework). Like the labour force framework, the usually active framework is based on activity status, and classifies the population into mutually exclusive groups of employed, unemployed and not in the labour force. However, unlike the currently active population, the framework of the usually active population is based on the *main* activity undertaken, and over a long rather than short reference period.

8.4 A further difference between the two frameworks concerns the order in which the economically active population and its states of employment and unemployment are determined. Within the usually active framework, individuals are first classified as 'usually active' or 'usually inactive' and then into the employed and unemployed categories. In contrast, in the labour force framework individuals are first identified as employed or unemployed (which together form the labour force, the measure of the current stock of labour supply).

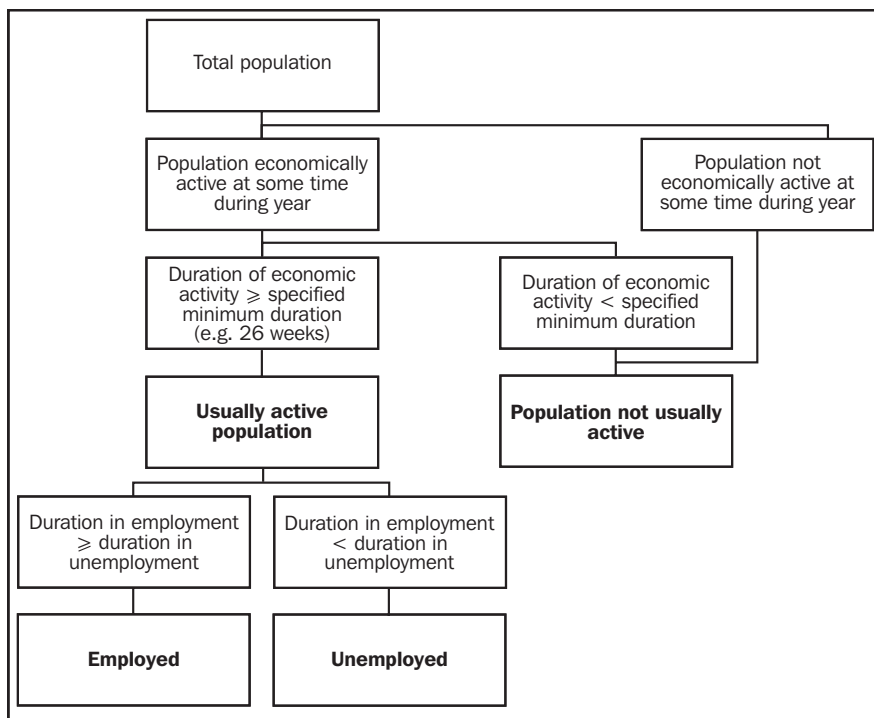
Long Reference Period

8.5 The international guidelines recommend the use of a long reference period for measurement of the usually economically active population, such as 12 months. The international guidelines consider a range of survey situations where the use of either a fixed or moving reference period may be appropriate, and suggest that for countries where the survey data are collected over a short period (as in Australia) a fixed reference period is preferable.

8.6 According to the international guidelines, the usually active population comprises all persons above a specified age whose main activity status, as determined in terms of number of weeks or days during a long specified period, was employed or unemployed as defined in the labour force framework.

8.7 The framework for usual activity recommended by the ILO is shown in diagram 8.1.

8.1 ILO FRAMEWORK OF USUAL ACTIVITY



DEFINITIONS USED IN ABS SURVEYS

8.8 Measures of the usually active population are collected by the ABS in the supplementary topic to the Labour Force Survey, Labour Force Experience. The concepts and definitions underlying measures from this survey are outlined below.

8.9 The survey collects information about time spent in labour force activities, including episodes of looking for work and time spent out of the labour force, over a 12 month period. Measures of ‘worked’ and ‘looked for work’ collected in the survey are based on the respondents’ own perception of their labour force status.

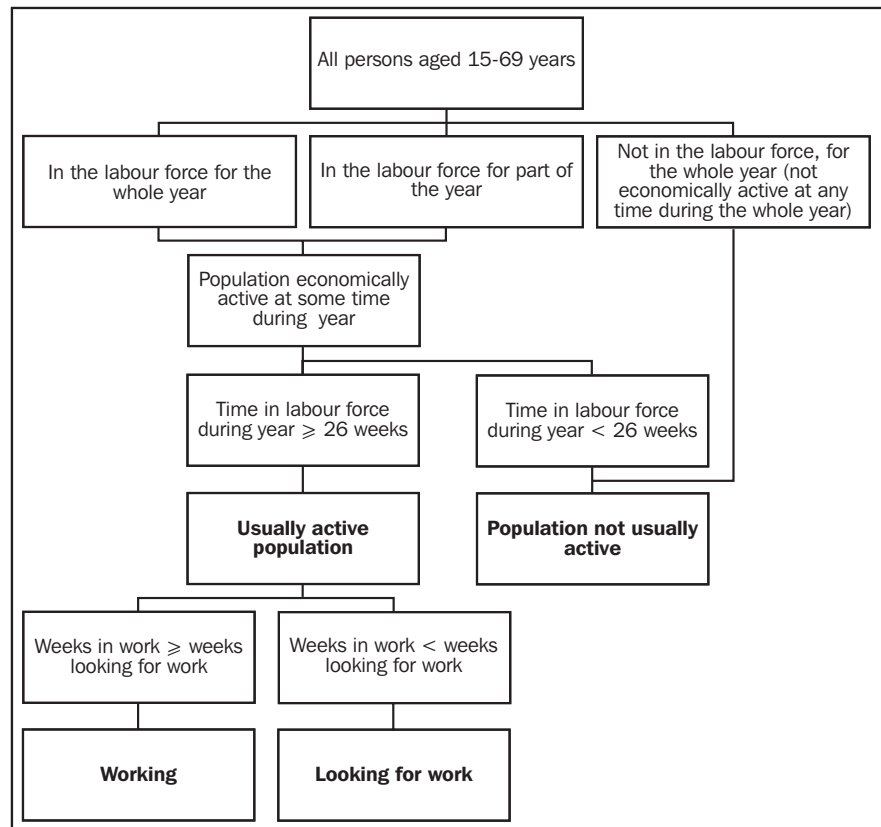
8.10 The survey classifies persons into various labour force states during the survey year based on a more limited set of questions than is used in surveys of the currently active. Accordingly, the terms 'worked' and 'looked for work' are used rather than the more precisely defined 'employed' and 'unemployed'. While this approach is not consistent with the international guidelines, the ILO recognises that measuring employment and unemployment as defined in the labour force framework over a long reference period may not be practical (as they depend on respondent recall in relation to retrospective measures).

8.11 The survey publication *Labour Force Experience, Australia* (Cat. no. 6206.0) presents a framework for the Labour Force Experience Survey which groups the population into three mutually exclusive groups. Using these three groups as a starting point, a framework for determining the usually active/inactive split that aligns with the international guidelines can be constructed:

- The first group, 'in the labour force for the whole year', corresponds to usually active (either employed or unemployed depending on the labour force state in which most time was spent).
- The second group, 'in the labour force for part of the year', corresponds to either usually active or usually inactive depending on the duration of time spent in the labour force. Persons in this group who spent the majority of the 12 month reference period working correspond to usually active 'employed'. Those who spent the majority of the period looking for work correspond to usually active 'unemployed'. Those who spent the majority of the period not in the labour force (neither working nor looking for work) correspond to usually inactive.
- The third group, 'not in the labour force for the whole year', corresponds to usually inactive.

8.12 These concepts are illustrated below in diagram 8.2.

8.2 ABS FRAMEWORK FOR DETERMINING USUAL ACTIVITY
(AN EXTENSION OF THE LABOUR FORCE EXPERIENCE SURVEY FRAMEWORK)



DATA SOURCES

8.13 Information about the usually economically active population is available from:

- the supplementary topic to the Labour Force Survey, Labour Force Experience, and various other supplementary topics;
- Special Social Surveys; and
- the Labour Force Survey.

Supplementary Survey:
Labour Force Experience

8.14 The primary ABS data source for the usually active population is the supplementary survey to the Labour Force Survey, the Labour Force Experience Survey. This topic classifies persons into the various labour force states using the framework outlined above. For further information on the content or methodology of this survey refer to Chapter 20 Section 5.

Other Supplementary
Surveys

8.15 Other supplementary surveys that collect more detailed information on subgroups within the usual activity framework include: the Labour Mobility Survey, which collects information from persons who had worked during the 12 months prior to the survey reference date; and the Successful and Unsuccessful Job Search Experience Survey, which collects information from persons who had looked for work during the 12 months prior to the survey reference date. For further information on both these surveys, see Chapter 20 Sections 7 and 13.

Special Social Surveys

8.16 The Special Social Survey, the Survey of Employment and Unemployment Patterns also used the concepts of the usual activity framework, as outlined above, to classify persons into various 'episodes of labour market activity' which included: working; looking for work; and absence from the labour market. For further information on the content and methodology of this survey, see Chapter 22.

Labour Force Survey

8.17 The Labour Force Survey collects related information in its quarterly measures of job tenure (length of time in current job) and employment expectations, thus providing complementary measures of labour market dynamics in the form of recent and potential future movements in the labour force, and a broad measure of the extent of short-term employment. For further information on the content or methodology of this survey refer to Chapter 19.

CHAPTER 9

OTHER MEASURES OF THE ECONOMICALLY ACTIVE POPULATION

INTRODUCTION

9.1 This chapter addresses a number of ABS statistics relating to the economically active population which were not discussed elsewhere. Previous chapters have discussed the concept of economic activity (Chapter 2), and measures of the currently active population (Chapters 3 to 7) and of the usually active population (Chapter 8). Concepts underlying the statistics included in this chapter supplement those discussed earlier. They are explained somewhat more briefly because they are discussed in depth in other ABS publications; or are self explanatory; or are ancillary to the main concepts.

LABOUR FORCE GROWTH

9.2 Statistics on labour force entry and exit provide information on labour force growth. Major sources of labour force growth occur through the entry of leavers from educational institutions and from net overseas migration. In addition, some persons re-enter the labour force after a period of absence (e.g. persons who have been looking after children). Reasons for departure from the labour force include:

- retirement from work;
- withdrawal from work to gain educational qualifications; and
- withdrawal from work to care for children.

In addition, persons wanting to work may withdraw from job search because they believe jobs are not available (discouraged job seekers — see Chapter 7 for further information on this topic). Departures from the labour force may be either temporary or permanent.

9.3 The surveys outlined below examine subsets of entries to and/or exits from the labour force in detail.

Supplementary Survey: Transition from Education to Work

9.4 Data on the transition from education to work are collected in the supplement to the Labour Force Survey, the Transition from Education to Work Survey. Information collected includes estimates of numbers of persons entering the labour force after leaving educational institutions, including those who have found work. For more information on this topic refer to *Transition from Education to Work, Australia* (Cat. no. 6227.0).

Migrants

9.5 Information on the labour force status of migrants is collected in the supplement to the Labour Force Survey, the Labour Force Status and Other Characteristics of Migrants Survey. Results are published in *Labour Force Status and Other Characteristics of Migrants, Australia* (Cat. no. 6250.0). For more information refer to this publication.

9.6 In addition to information contained in the Labour Force Survey supplementary survey, the ABS also publishes statistics on net overseas migration in *Australian Demographic Statistics* (Cat. no. 3101.0). For this collection, migrants are defined as permanent residents of Australia (i.e. they have permanent resident status) who were not born in Australia. For more information on the collection refer to the publication listed above.

9.7 Information on retirement from work is collected, from persons aged 45 years or over, in a supplement to the Labour Force Survey, the Retirement and Retirement Intentions Survey. The following definitions apply to this survey:

- intend to retire from full-time work — those persons who indicated that they intend to give up working or looking for full-time work;
- intend to retire from the labour force — those persons who indicated that they intend to give up all labour force activity, i.e. working or looking for work;
- partial retirement — persons who had retired from full-time work or looking for full-time work, and were working or looking for part-time work;
- retired from the Labour Force — persons who had retired from work or looking for work of more than 10 hours per week, and did not intend to work at any time in the future. These persons are considered fully retired. Persons who have never worked more than 10 hours per week are also treated as fully retired; and
- retired from part-time work — persons who had ceased part-time labour force activity, i.e. working or looking for work of 10–34 hours per week, and who did not intend to work or look for work of 10–34 hours per week at any time in the future.

9.8 For more information on data available from this survey or the collection methodology used refer to Chapter 20 Section 11.

9.9 Other sources of labour statistics related to labour force entry and exit that have been discussed in previous chapters are outlined below. For more information on these statistics please refer to the chapters referenced.

- Labour Force Survey (Chapter 19) — data relevant to exits and entries include gross flows statistics which provide information on movements between ‘in the labour force’ and ‘not in the labour force’.
- The supplement to the Labour Force Survey, the Persons Not In the Labour Force Survey (Chapter 20 Section 10) — data relevant to exits and entries include information on reasons not in the labour force and on work preferences.
- The supplement to the Labour Force Survey, the Labour Force Experience Survey (Chapter 20 Section 5) — data relevant to exits and entrance include information on labour force experiences over a 12 month period, including time spent working, looking for work, and neither working nor looking for work.
- Survey of Employment and Unemployment Patterns (Chapter 22) — data relevant to exits and entries includes information on labour force activities undertaken over a three year period, including information on periods of work, looking for work and absences from the labour force.

LABOUR MARKET DYNAMICS	<p>9.10 Most labour statistics focus on points in time (e.g. the size and structure of the labour force). Statistics on labour market dynamics focus on changes over time, and relate mainly to the experiences of individuals, both in and out of the labour force.</p>
Supplementary Survey: Labour Mobility	<p>9.11 The purpose of the supplement to the Labour Force Survey, the Labour Mobility Survey, is to provide information on job mobility and job tenure. The survey collects information from persons who worked at some time during the previous 12 months and is a major source of data for analysing the dynamic nature of the labour force. For more information on data availability and collection methodology refer to Chapter 20 Section 7.</p>
Supplementary Survey: Career Experience	<p>9.12 Data on the career experiences of employees are collected in a supplement to the Labour Force Survey, the Career Experience Survey. Data collected includes details of current job, changes in jobs, and breaks away from work for six months or more. For more information, refer to Chapter 20 Section 1.</p>
Supplementary Survey: Retrenchment and Redundancy	<p>9.13 Information on persons affected by retrenchment and redundancy and their subsequent labour force outcomes is collected in an irregular supplement to the Labour Force Survey, the Retrenchment and Redundancy Survey. See Chapter 20 Section 12 for more information on the content and methodology of this survey.</p>
Other Data Sources	<p>9.14 Other sources of labour statistics related to labour market dynamics that have been discussed in previous chapters are outlined below. For more information on these statistics please refer to the chapters referenced.</p> <ul style="list-style-type: none"> ■ Labour Force Survey (Chapter 19) — gross flows data provide information on movements between labour force states including movements between employment and unemployment. ■ The supplement to the Labour Force Survey, the Labour Force Experience Survey (Chapter 20 Section 5) — data relevant to labour market dynamics include information time spent working, looking for work, and neither working nor looking for work. ■ Survey of Employment and Unemployment Patterns (Chapter 22) — data relevant to labour market dynamics include information on labour force activities undertaken over a three year period, including information on periods of work, looking for work and absences from the labour force. ■ The supplements to the Labour Force Survey focusing on unemployment — the Job Search Experience of Unemployed Persons Survey (Chapter 20 Section 4), and the Successful and Unsuccessful Job Search Experience Survey — both collect data on the job search experiences of the unemployed over a twelve month period.

SUPERANNUATION

9.15 Detailed information on superannuation provision and income is collected in the Special Social Survey, the Survey of Employment Arrangements and Superannuation. Information on employers' contributions to superannuation funds on behalf of their employees is also collected in the ABS business survey, the Labour Costs Survey.

Survey of Employment Arrangements and Superannuation

9.16 Information collected includes: details of the type of superannuation coverage people have; the levels of contributions; reasons for not contributing to superannuation; superannuation account balances; and the amounts of and uses of lump sums received from superannuation. The following definitions apply to this survey:

- Superannuation account — an individual's holdings in a superannuation fund.
- Superannuation fund (also known as a superannuation scheme or superannuation plan) — any fund, association or organisation set up for the purpose of providing benefits for members on their retirement, or in other specified circumstances.
- Superannuation coverage — a set of categories describing the types of contributions being made to superannuation (for those who are working or who intend to work in the future, i.e. pre-retirement) or whether any benefit has been received from superannuation (for those who are not working and do not intend to work in the future, i.e. who are retired). The categories used are:
 - Working or intending to work in the future
 - Personal or spouse contributions only
 - Personal or spouse and employer or business contributions
 - Employer or business contributions only
 - Has superannuation, but no contributions being made
 - Has no superannuation
 - Not working and not intending to work in the future
 - Not receiving income from superannuation or annuities and no lump sum received
 - Receiving income from superannuation or annuities or has received a lump sum

9.17 For more information on the content and methodology of this survey, refer to Chapter 21.

Labour Costs Survey

9.18 The Labour Costs Survey collects information on employers' superannuation contributions as a component of total labour costs. Information collected relates only to employer-funded contributions; contributions by employees are excluded. Readers should note that due to the different funding arrangements adopted in the public and private sectors, estimates of superannuation are not directly comparable between the sectors — see Chapter 11 for further information. Chapter 26 provides more information on the content and methodology of this survey.

CHAPTER 10

JOB VACANCIES

INTRODUCTION

10.1 This chapter discusses the concepts, definitions and sources of job vacancies data. Job vacancies are an indicator of labour demand. They complement indicators of oversupply of labour such as unemployment (Chapter 6) and underemployment (Chapter 5).

CONCEPTS AND DEFINITIONS

10.2 There are no international recommendations or guidelines relating to job vacancies statistics. However, it has been suggested¹ that it is fairly simple to develop a definition of a 'vacant post' which parallels the definition of an 'unemployed person'. The concept of vacant post was discussed in the general report to the Fifteenth ICLS 1993 where the following definition was put forward:

“a 'vacant post' can be said to exist if an employer before or during the reference period has taken concrete steps to find a suitable person to carry out a specific set of tasks and would have taken on (entered into a job contract with) such a person if she/he had been available during the reference period”.

10.3 Job vacancies statistics are collected in the ABS Job Vacancies Survey, a business survey. It has been ABS practice to define job vacancies as *employee jobs available for immediate filling* on the actual survey reference day and *for which employers have undertaken recruitment action*. Recruitment action includes efforts to fill vacancies by advertising, by factory notices, by notifying public or private employment agencies or trade unions and by contacting, interviewing or selecting applicants already registered with the business or organisation.

10.4 Measures of job vacancies exclude: jobs which became vacant on the survey reference day and were filled on the same day; jobs of less than one day's duration; jobs only available to be filled by persons already hired, or by promotion or transfer of existing employees; jobs to be filled by persons returning from paid or unpaid leave or after industrial dispute(s); jobs for work to be carried out by contractors or staff from contract labour agencies; and jobs for which a person has been appointed but has not yet commenced duty.

10.5 The job vacancy rate is calculated by expressing the number of job vacancies as a percentage of the number of employee jobs plus vacancies.

1 E. Hoffman, "Measuring the demand for labour", in Bulletin of Labour Statistics, 1992-1, ILO, Geneva 1991.

DATA SOURCES

10.6 Estimates of job vacancies are available from:

- the ABS Job Vacancies Survey;
- the Australia and New Zealand Banking Group (ANZ) series based on counts of newspaper advertisements and Internet advertisements; and
- the Department of Employment, Workplace Relations and Small Business Vacancy Report incorporating: the Skilled Vacancies Index based on counts of newspaper advertisements for skilled vacancies; the Information and Communications Technology (ICT) Vacancies Index based on Internet advertisements for ICT vacancies on selected employment Internet sites; and Vacancies on Australian Job Search (AJS) based on Internet advertisements for job vacancies on the AJS employment Internet site.

Job Vacancies Survey

10.7 Estimates from this survey are produced according to the definitions outlined above. For more information on the data content and methodology of this survey refer to Chapter 25.

ANZ Series

10.8 The ANZ produces two series, one based on newspaper advertisements placed in major metropolitan newspapers, the other on Internet advertisements carried on selected employment Internet sites. Readers should refer to *Australian and New Zealand Banking Group Limited, ANZ Job Advertisement Series*, for more detail on the content and methodology of these series.

Vacancy Report —
Department of Employment,
Workplace Relations and
Small Business

10.9 The Department of Employment, Workplace Relations and Small Business produces three series, the Skilled Vacancies Index, the ICT Vacancies Index, and the Vacancies on Australian Job Search series (see paragraph 10.6). Readers should refer to *Department of Employment, Workplace Relations and Small Business, Vacancy Report* for more detail on the content and methodology of these series.

CHAPTER 11

EARNINGS, EMPLOYEE COMPENSATION, LABOUR COSTS AND RELATED STATISTICS

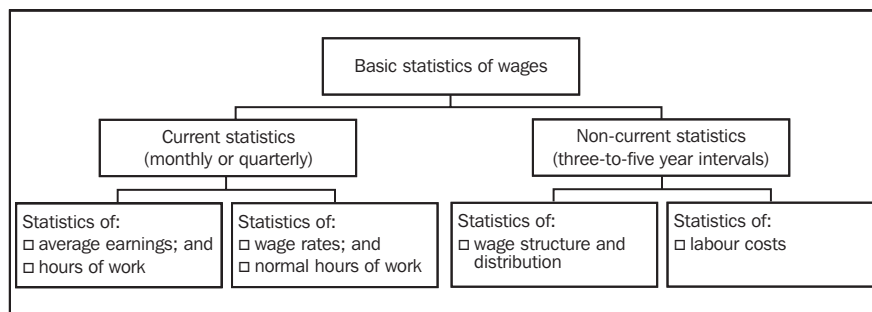
INTRODUCTION

11.1 Statistics of wages, earnings and income are required for the planning, evaluation, and monitoring of economic and social development. Demand for the statistics emanates from Federal and State Governments, social and labour market analysts, Federal and State industrial tribunals, trade unions, employer associations, academics and international agencies.

11.2 Comprehensive statistics on wage rates, earnings and labour costs, and differentials by sex, occupation, skill, industry etc., are in such demand because of the role they play in: evaluation of income redistribution, social welfare, taxation, monetary, wage fixation, inflation and prices policies; investment decisions; studies of corporate and international competitiveness; and measurement of living standards.

11.3 The myriad users and uses of statistics in this area can never be satisfied with a single all-encompassing statistical measure that would meet all needs for all purposes. In recognition of this, the Twelfth ICLS (1973) recommended that countries collect a range of interrelated wages statistics to meet users' differing needs. The ILO, in its manual *An Integrated System of Wages Statistics, a Manual on Methods*, presents a framework for an integrated system of basic statistics of wages. The framework presented in diagram 11.1 is an adaptation of the ILO framework.

11.1 FRAMEWORK FOR AN INTEGRATED SYSTEM OF BASIC STATISTICS OF WAGES



11.4 As discussed in the ILO manual, while the integrated system of wages recommended by the Twelfth ICLS does not deal with the computation of real wages, wage indexes, and similar questions which are of an analytical nature, there is no particular difficulty in bringing these topics, as well as other statistical measures of wages (such as employment-related income and compensation of employees), within the framework of the integrated system.

11.5 The first section of this chapter outlines and contrasts international concepts of wages, earnings, compensation of employees, labour costs, and employment-related income. The subsequent sections discuss in detail: definitions associated with various ABS wages, earnings and labour costs statistics; sources of Australian statistics, including non-ABS series; and measures and classifications associated with these statistics. Statistics of hours of work are discussed in Chapter 4.

CONCEPTS AND
INTERNATIONAL GUIDELINES

Wages

11.6 There is no international recommended definition of wages due to differences of opinion as to what components of payments made in employing labour should be included in wages or in other measures.

11.7 The common notion of wages is that of payments to a worker by his/her employer made regularly (at daily, weekly, fortnightly, or monthly intervals) including: payments in cash and in kind; supplementary earnings under incentive plans; cost of living allowances; and regular bonuses. Included also are payments for overtime and for work done on those days which are normally non-working days, and remuneration for time not worked (including paid annual leave, public holidays, sick leave, and other paid leave). Contributions by employers to superannuation, workers' compensation schemes, severance payments on termination, end of service benefits, and retirement allowances, are not considered part of wages.

11.8 This notion of wages, based on the concept of wages as remuneration to the jobholder, underlies the concepts of 'earnings' and 'employment-related income' outlined in international guidelines.

11.9 An alternative notion is to consider wages as part of the total labour cost incurred by employers for the purchase of labour services. Other components of labour costs include costs associated with employing labour which do not automatically accrue as income to employees (such as workers compensation payments, expenditure on recruitment and training, and payroll tax). Under this notion, wages represent payment for labour services, and it is this notion of wages which underlies the concepts of 'compensation of employees' and 'labour costs' outlined in international guidelines (ICLS and the United Nations).

11.10 The international concepts of earnings, compensation of employees, labour costs, and employment-related income are discussed below.

Earnings

11.11 Statistical measures of earnings are based on the concept of wages as income to the employee. The resolution of the Twelfth ICLS (1973) defines the concept of earnings as follows (table 11.2).

11.2 DEFINITION OF EARNINGS (ICLS 1973)

The concept of earnings, as applied in wages statistics, relates to remuneration and payments in kind paid to employees, as a rule at regular intervals, for time worked or work done, together with remuneration for time not worked such as for annual vacation, other paid leave or holidays. Earnings exclude employers' contributions paid, in respect of their employees, to social security and pension schemes and also the benefits received by employees under these schemes. Earnings also exclude severance and termination pay.

Statistics of earnings should relate to employees' gross remuneration, i.e. the total before any deductions are made by the employer in respect of taxes, contributions of employees to social security and pension schemes, life insurance premiums, union dues and other obligations of employees.

Earnings should include: direct wages and salaries, remuneration for time not worked (excluding severance and termination pay), bonuses and gratuities, and housing and family allowances paid by the employer directly to his employee.

(a) Direct wages and salaries for time worked, or work done, cover:

- (i) straight-time pay of time-rated workers;
- (ii) incentive pay of time-rated workers;
- (iii) earnings of piece-workers (excluding overtime premiums);
- (iv) premium pay for overtime, shift, night and holiday work;
- (v) commissions paid to sales and other personnel.

Included are: premiums for seniority and special skills, geographical zone differentials, responsibility premiums, dirt, danger and discomfort allowances, payments under guaranteed wage systems, cost-of-living allowances and other regular allowances.

(b) Remuneration for time not worked comprises direct payments to employees in respect of public holidays, annual vacations and other time off with pay granted by the employer.

(c) Bonuses and gratuities cover seasonal and end-of-year bonuses, additional payments in respect of vacation period (supplementary to normal pay) and profit-sharing bonuses.

Statistics of earnings should distinguish cash earnings from payments in kind.

11.12 The international guidelines distinguish between current (monthly and quarterly) and non-current earnings statistics. The definition of earnings presented above is modified for current earnings statistics to include only those elements of earnings which, as a rule, are received regularly. Irregular bonuses, such as end-of-year and other one-time bonuses which accrue over a longer period but are paid during the reference period, should not be included.

Compensation of Employees

11.13 Compensation of employees, a measure used in the United Nations System of National Accounts 1993, is viewed in terms of employers' expenditure for, or on behalf of, their employees. It is defined as "the total remuneration, in cash or in kind, payable by an enterprise to an employee in return for work done by the latter during the accounting period" (SNA93 paragraph 7.21).

Compensation of Employees
continued

11.14 Compensation of employees excludes taxes, such as payroll tax, paid by employers on their wage and salary bill, but includes contributions (both actual and imputed) payable by employers in order to obtain social benefits for their employees. Actual social contributions consist of those contributions payable by employers to social security funds, pension funds, insurance enterprises or other organisations which administer and manage social insurance schemes. Employers' social contributions are imputed in situations where employers make payments for social benefits directly to their employees, former employees or dependants out of their own resources without involving an insurance enterprise or autonomous pension fund and without creating a special fund or reserve for this purpose.

11.15 'Compensation of employees' produces a broader measure than 'employee earnings', as it includes: all irregular remuneration such as irregular bonuses, ad hoc bonuses and exceptional payments; severance and termination payments; all wages and salaries in kind in the form of consumption goods and services produced or purchased by employers and provided free of charge or at reduced prices to their employees (including welfare services); and employers' actual and imputed social contributions.

11.16 Compensation of employees should be measured on an accrual basis under which the total cost of employee compensation is reflected in the period during which the employee provided services to the employer. This requires that wages and salaries be accrued on the basis of the time worked.

Labour Costs

11.17 The statistical measure of labour costs is based on the concept of labour as a cost to the employer in the employment of labour, and relates to: all cash and in-kind payments of wage and salaries to employees; all contributions by employers in respect of their employees to social security, private pension, casualty insurance, life insurance and similar schemes; and all other costs borne by employers in the employment of labour that are not related to employee compensation (such as costs of training, welfare services to employees, payroll taxes etc). Measures of labour costs should be net of any subsidies, rebates or allowances from governments for wage and salary payments to employees, or for other labour costs borne by employers.

11.18 The conceptual measure of labour cost is broader than the measure 'compensation of employees' since the former includes expenditure for welfare services, recruitment and training and other miscellaneous costs such as work clothes and taxes on employment (payroll tax) — see table 11.3.

11.3 DEFINITION OF LABOUR COSTS (ICLS 1973)

...remuneration for work performed, payments in respect of time paid for but not worked, bonuses and gratuities, the cost of food, drink and other payments in kind, cost of workers' housing borne by employers, employers' social security expenditures, cost to the employer for vocational training, welfare services and miscellaneous items, such as transport of workers, work clothes and recruitment together with taxes (are) regarded as labour costs.

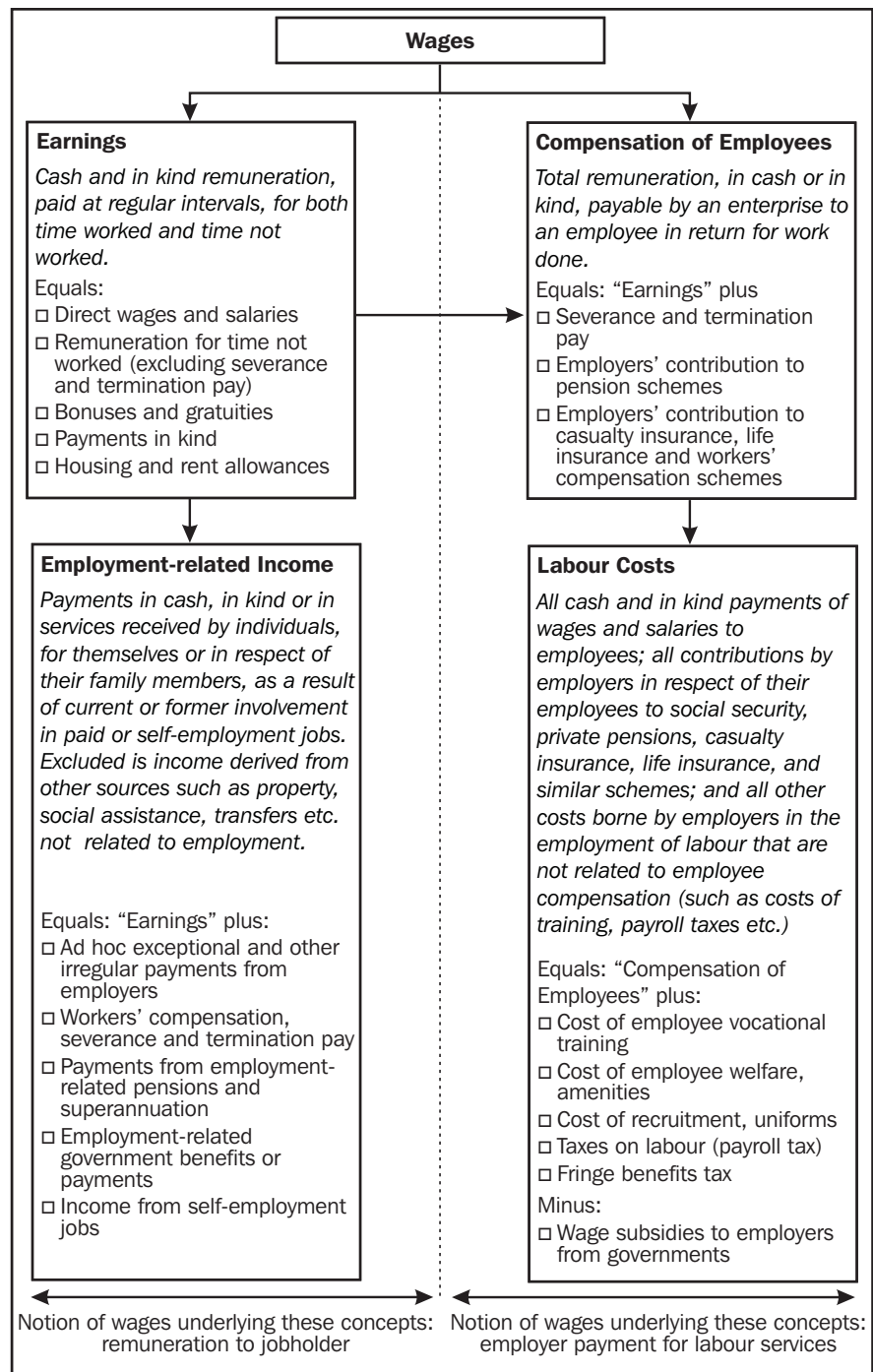
Employment-Related Income 11.19 The concept of employment-related income is seen from the perspective of the recipient household. Current international recommendations (ICLS 1998) define employment-related income as comprising “payments in cash, in kind, or in services received by individuals, for themselves or in respect of their family members, as a result of the current or former involvement in paid or self-employment jobs”, but excluding “income derived from other sources such as property, social assistance, transfers etc. not related to employment”.

11.20 Employment-related income is therefore a much broader concept than earnings, incorporating: remuneration derived from paid jobs in the form of ‘earnings’; other payments received from employers that accrue as income to employees (such as irregular earnings) but which are excluded from the concept of earnings; remuneration from self-employment jobs; and employment-related payments from other sources (superannuation, payments from the State such as pensions etc.) relating to both current and former jobs — see the ICLS resolution on the measurement of employment-related income at the ILO website: <<http://www.ilo.org/public/english/bureau/stat/res/index.htm>>.

Relationship Between
Concepts of Earnings,
Compensation of Employees,
Labour Costs, and
Employment-Related Income

11.21 The relationship between the international concepts of earnings, compensation of employees, labour costs, and employment-related income is illustrated in diagram 11.4. The notion of wages as ‘remuneration to the job holder’ underlies the concepts of earnings and employment-related income, while the notion of wages as ‘employer payments for labour services’ underlies the concepts of compensation of employees and labour costs. The narrowest concept outlined in the international guidelines is that of earnings. Concepts of compensation of employees, labour costs, and employment-related income all include and extend upon the concept of ‘earnings’.

11.4 COMPARISON OF CONCEPTS OF EARNINGS, COMPENSATION OF EMPLOYEES, LABOUR COSTS, AND EMPLOYMENT-RELATED INCOME



DEFINITIONS AND
MEASURES USED IN ABS
SURVEYS

Wages

11.22 While the ABS does not produce estimates of wages per se, a range of wages statistics are produced based on the alternative notions of wages as remuneration to the job holder (e.g. earnings statistics) and wages as employer payment for labour services (e.g. statistics of compensation of employees and labour costs).

Earnings

11.23 Estimates of earnings are produced from a number of ABS surveys and include measures of average weekly earnings, earnings distributions, and earnings composition. The definition of earnings used varies across different surveys as discussed below.

EARNINGS DEFINITIONS USED IN ABS BUSINESS SURVEYS

Survey of Average Weekly Earnings and Survey of Employee Earnings and Hours

11.24 The surveys of Average Weekly Earnings (AWE) and Employee Earnings and Hours (EEH) are designed to produce estimates of average weekly earnings at a point in time (on a quarterly basis in AWE, and on a biennial basis in EEH), and the definition used in these surveys aligns closely with the international definition for current earnings.

11.25 Components of earnings collected in AWE and EEH are limited to:

- remuneration for time worked or work done — ordinary time and overtime pay, penalty payments, commissions (only if a retainer/wage/salary is paid), taxable¹ employee allowances (e.g. allowances for shift work, site, dirt and height allowances), incentive and piecework payments;
- remuneration for time not worked — including paid leave and public holidays falling within the reference period, and workers' compensation payments if paid through the payroll; and
- bonuses and gratuities — includes regular bonuses (e.g. paid weekly, fortnightly or quarterly), and payments made under profit sharing schemes usually paid each pay period.

1 Non-taxable allowances (e.g. for tools, clothing, equipment) are excluded from earnings (as well as compensation of employees and labour costs) as they are generally reimbursements to employees for expenditure by them in the course of their work. (In the national accounts, the amounts reimbursed are treated as intermediate consumption.)

11.26 The following components of remuneration are excluded from AWE and EEH earnings measures:

- payments in kind (includes salary packaging/sacrifice) — payments in kind have traditionally been excluded from ABS earnings measures for practical reasons, information on such payments not being readily available from payrolls; and
- all other payments that are irregular or not related to the survey reference period — these include retrospective pay; pay in advance; severance, termination and redundancy pay; leave loadings; and annual and irregular bonuses.

11.27 The exclusion of payments in kind is not consistent with international guidelines. Apart from this, the definition of earnings used in AWE and EEH is consistent with the international guidelines for measures of current earnings.

OTHER ABS BUSINESS SURVEYS

11.28 Earnings statistics are also produced from the Survey of Employment and Earnings (gross quarterly earnings), the Labour Costs Survey (gross annual earnings and average annual earnings per employee), and the Wage Cost Index (quarterly change in hourly rates of pay). Unlike the surveys of AWE and EEH, these surveys are not designed to produce estimates of the concept of 'earnings' per se, but estimates of the broader concepts of 'compensation of employees', 'labour costs', or measures related to these concepts. As such, these surveys generally define earnings more broadly than EEH and AWE, and estimates are not comparable across surveys.

11.29 Estimates from the Survey of Employment and Earnings (SEE) are used in the production of estimates of the 'value of employee entitlements' component of 'compensation of employees' for the Australian National Accounts. The definition of earnings used in the survey extends the definition used in AWE and EEH. It comprises 'earnings' as defined for AWE and EEH, as well as: irregular payments (such as irregular bonuses and gratuities); payments which may not relate solely to the reference period (such as pay in advance; retrospective pay; and severance, termination and redundancy payments); and fees paid to directors and office holders. However, fees paid to directors and office holders, and severance, termination and redundancy payments, are separately identified in the survey and separate estimates can be produced for these earnings components. Unlike AWE and EEH, which are designed to estimate average earnings levels at a point in time, SEE is designed to estimate earnings flows to employees over a three month period. For further information on the earnings definition used in SEE, refer to paragraph 11.46. For further information on the content and methodology of the survey, refer to Chapter 29.

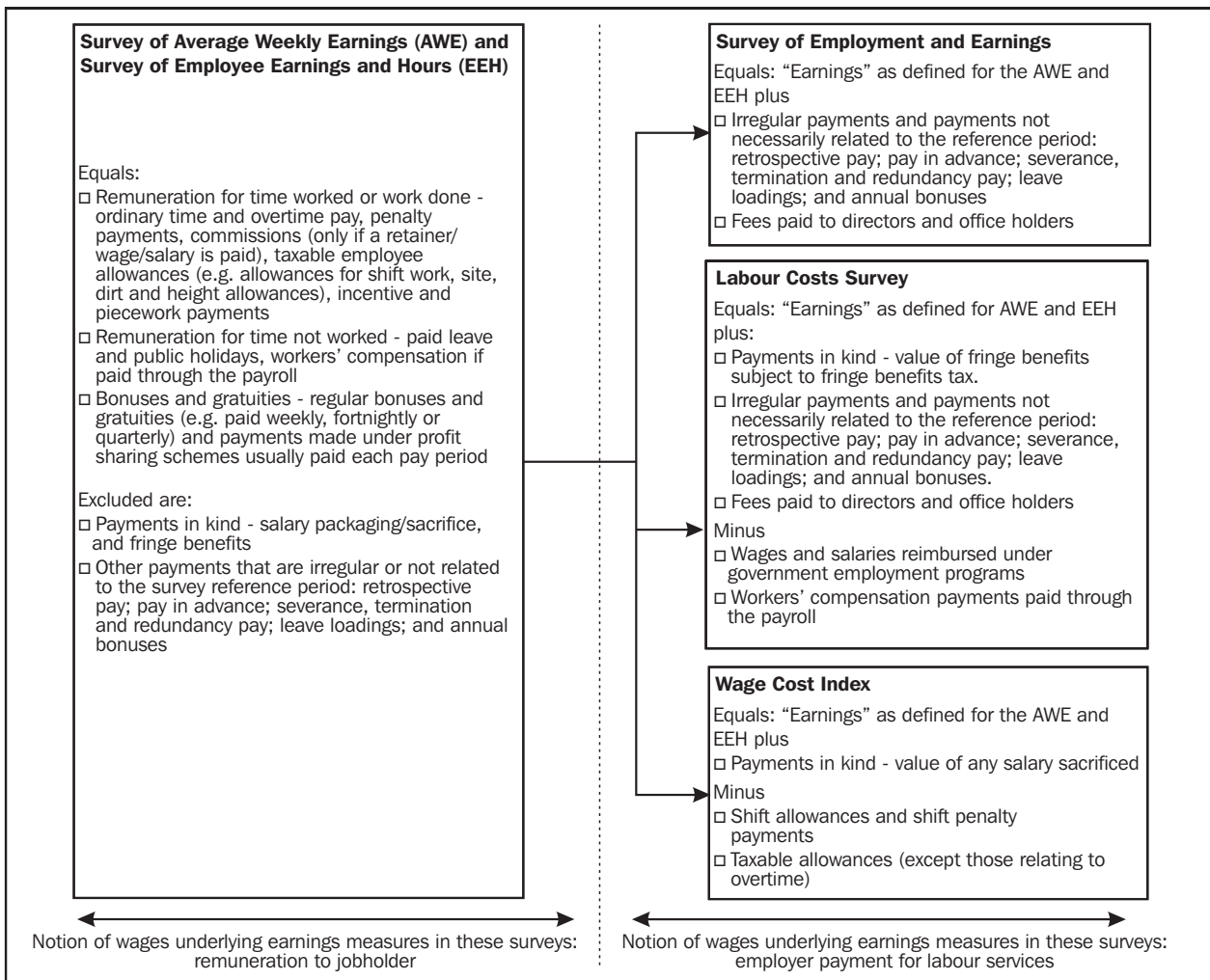
11.30 The Labour Costs Survey is designed to produce estimates of employers' labour costs, and estimates of earnings are produced as a component of total labour costs. A broader definition of earnings is also used in the Labour Costs Survey. It comprises 'earnings' as defined for AWE and EEH, as well as: some payments in kind (value of fringe benefits subject to fringe benefits tax); irregular payments; payments which may not relate solely to the reference period (including severance, termination and redundancy payments); and fees paid to directors and office holders. Wages and salaries reimbursed under government employment programs, and workers' compensation payments paid through the payroll, are excluded. Like SEE, the Labour Costs Survey is designed to produce estimates of earnings flows over a twelve month period. For further information on the earnings definition used in the Labour Costs Survey, refer to paragraph 11.55. For further information on the content and methodology of the survey, refer to Chapter 26.

11.31 The Wage Cost Index (WCI) is a price index measuring changes in wage and salary costs in the Australian labour market, unaffected by changes in the quality and quantity of work performed. The survey tracks employee jobs and measures changes in the price of labour (hourly rates of pay) associated with those jobs. The definition of 'wage and salary costs' used in the survey aligns closely with the international definition of earnings. However, as the WCI is a price index, changes in payments relating to the quality and/or quantity of work performed (which are included in the international earnings definition, and in AWE and EEH) are excluded. Also excluded are: shift allowances and shift penalty payments; and taxable allowances. The reference period for the WCI is short (one week), except for bonuses which are collected in respect of a three month period. For further information on the definition of wage and salary costs used in the WCI, refer to paragraph 11.58. For further information on the content and methodology of the WCI, refer to Chapter 30.

RELATIONSHIP BETWEEN EARNINGS DEFINITIONS USED IN ABS BUSINESS SURVEYS

11.32 The relationship between the alternative definitions of earnings used in ABS business surveys is illustrated in diagram 11.6. The notion of wages as 'remuneration to the job holder' underlies the concepts of earnings measured in AWE and EEH, while the notion of wages as 'payments for labour services' underlies the concepts of earnings measured in SEE, the Labour Costs Survey and the WCI.

11.6 COMPARISON OF EARNINGS DEFINITIONS USED IN ABS BUSINESS SURVEYS



EARNINGS DEFINITIONS USED IN ABS HOUSEHOLD SURVEYS

11.33 Earnings measures used in ABS household surveys generally relate to gross payments received from either the main job or all jobs during the reference period. Adjustments are generally not made to exclude components of pay that may be outside the international earnings definition (such as irregular bonuses), and components of pay that may not relate to the reference period (such as retrospective pay and pay in advance). Earnings measures produced from ABS household surveys are restricted to cash earnings, i.e. they exclude payments in kind.

EARNINGS MEASURES AND CLASSIFICATIONS USED IN ABS BUSINESS SURVEYS

Average weekly earnings

11.34 Estimates of average weekly earnings are derived by dividing estimates of gross weekly earnings by estimates of number of employee jobs. Average weekly earnings represents the average gross (before tax) earnings of employee jobs. It does not relate to average award rates of pay nor to the earnings of the 'average employee'.

11.35 Changes in averages may be affected not only by changes in the underlying rates of pay, but also by changes in the weekly hours worked (or paid for) and by changes in the composition of jobs in the workforce. Compositional changes can be the result of variations in the proportions of full-time, part-time, casual, adult and junior employment, variations in the occupational distribution within and across industries, variations in the distribution of employees between industries, and variations in the proportions of males and females employed.

Average hourly earnings

11.36 Estimates of average hourly earnings for non-managerial employees are available from the EEH survey. These estimates are derived by dividing estimates of gross weekly earnings by estimates of total weekly hours paid for.

Composition of earnings

11.37 Measures of the composition and components of (average weekly) earnings are available only from ABS business surveys. The components of earnings include:

- base pay;
- payment by measured result;
- ordinary time earnings; and
- overtime pay.

11.38 *Base pay* is defined as the award pay or agreed rate of pay (see below) for ordinary time hours paid for. For jobs held by employees whose pay is set in an award or an agreement (either collective or individual), the weekly base rate of pay includes overaward (or overagreement) pay and all taxable allowances (dirt, height, tool, etc.) and penalty payments (e.g. shift loadings) specified in the award or agreement². Base pay excludes payment by measured result and overtime pay, but includes regular bonuses (paid quarterly or more frequently) that are unrelated to individual performance. For jobs held by employees whose pay is not covered by an award or formal (registered) agreement, base pay is the agreed wage for ordinary time hours paid for. Estimates of the components of ordinary time earnings, including base pay, are available from EEH.

11.39 *Payment by measured result* refers to earnings which vary according to the measured performance of the jobholder e.g. piecework, production and task bonuses, and commissions. Estimates of the components of ordinary time earnings, including payment by measured result, are available from EEH.

11.40 *Ordinary time earnings* is equal to base pay plus payment by measured result. Overtime pay is excluded. Estimates of ordinary time earnings are available from AWE and EEH.

2 Refer to Chapter 12 for definitions of awards and agreements.

11.41 *Overtime payments* are payments for hours worked in excess of award, standard or agreed hours and reported as paid overtime. See Chapter 4 for the definitions of award, standard and agreed hours. Estimates of overtime payments are available from EEH.

EARNINGS MEASURES AND CLASSIFICATIONS USED IN ABS HOUSEHOLD SURVEYS

Average weekly earnings

11.42 Estimates of average weekly earnings of employees are derived by dividing estimates of gross weekly earnings by estimates of number of employees. Average weekly earnings represents the average gross (before tax) earnings of employees. It does not relate to average award rates of pay nor to the earnings of the 'average employee'. See the discussion above on the effects on average weekly earnings of changes to: the level of earnings; weekly hours worked; and the composition of jobs in the workforce.

Median weekly earnings

11.43 Median weekly earnings is defined as the earnings amount which divides the earnings distribution into two groups with equal numbers of employees, one half having weekly earnings below the median and the other half having weekly earnings above the median.

11.44 Estimates of compensation of employees are compiled for the Australian National Accounts. The definition of compensation of employees used in the Australian National Accounts is discussed below.

AUSTRALIAN NATIONAL ACCOUNTS

11.45 The 'compensation of employees' component of the Australian National Accounts consists of payments made by employers to their employees for services rendered. It has two components: 'wages and salaries'; and 'employers social contributions'. Wages and salaries comprise the value of employee entitlements, including those paid in cash and in kind, and changes in provisions for future employee entitlements (not currently implemented in the Australian National Accounts). Employers' social contributions are contributions by employers to pension and superannuation funds, and premiums paid by employers to workers' compensation schemes covering occupational injuries and diseases.

11.46 Wages and salaries paid in cash is sourced mainly from the ABS Survey of Employment and Earnings (SEE), and comprises 'earnings' as defined above for AWE and EEH, as well as:

- retrospective pay;
- pay in advance;
- directors' and office holders' fees;
- severance, termination and redundancy payments;
- leave loadings; and
- irregular bonuses and gratuities.

11.47 However, it is necessary to make adjustments to the SEE estimates:

- to account for wages and salaries associated with employee jobs that are excluded from SEE but are in scope of the Australian National Accounts — includes the Australian defence forces, Australian embassies and consulates overseas, and the Agriculture, forestry and fishing industries;
- to account for undercoverage of employee jobs in SEE; and
- to account for payments in kind.

11.48 Estimates of employee jobs and earnings obtained from SEE are used in conjunction with estimates from the Labour Force Survey (and various other sources), to obtain estimates of total employee wages and salaries. The employers' social contributions component is derived from a number of sources including the Survey of Labour Costs (see discussion below) and administrative data from State and Commonwealth Government Departments and Agencies. For further information on how estimates are obtained see *Australian National Accounts: Concepts, Sources and Methods* (Cat. no. 5216.0).

11.49 The 'compensation of employees' component of the Australian National Accounts is consistent with international guidelines on employee compensation except for: changes in provisions for future employee entitlements (not yet implemented); and the classification of certain leave and severance payments — severance, termination and redundancy payments, sick leave payments, and payments for forms of leave other than annual leave and long service leave — which are all classified as wage and salary payments rather than employers' social contributions.

11.50 As far as possible, estimates of compensation of employees are made on an accrual basis. Estimates from SEE can be produced on either a cash or pay-day adjusted basis³. Pay-day adjusted estimates are used to derive estimates of the total employee wages and salaries component of compensation of employees in the Australian National Accounts.

11.51 Estimates of labour costs are produced from two main ABS business surveys: (i) the quarterly WCI which provides a measure of the quarterly change in the wage and salary component of labour costs; and (ii) the five yearly Labour Costs Survey which, in addition to wages and salaries, provides estimates of other components of labour costs. An annual Labour Price Index (LPI) is currently under development and will add non-wage costs to the existing WCI.

³ While earnings data in SEE are collected on a cash basis, information is also collected which enables accurate adjustment of earnings estimates to a 'time payable' basis.

11.52 Estimates from these surveys differ in a number of respects. While estimates of labour costs from the Labour Costs Survey are of *total labour costs* incurred by employers in the employment of labour, estimates from the LPI will be of *changes to the 'price' of labour*. Estimates from the WCI are of *changes to the wage and salary component of the price of labour*. Two distinctions should be made between these estimates. The first relates to the measure of labour costs being used i.e. a price index (LPI and WCI) unaffected by changes in the quality or quantity of work performed, compared with measures of *flows over a twelve month period* (Labour Costs Survey). The second distinction relates to the labour cost concept being measured i.e. *total labour costs* (LPI and Labour Costs Survey) versus *wage and salary costs* (WCI).

11.53 The ABS derives, or will derive, price indexes, as indicators of labour costs, from both the WCI and the future LPI. These indexes measure changes to the hourly price of employee jobs paid by employers. Their purpose is to measure only the labour market related price changes in the hourly rates paid by employers to their employees for ordinary-time and overtime work, i.e. without having to take into consideration changes to the occupational structure, changes in the composition of the labour force, changes in the quantity of work (i.e. number of hours) undertaken, changes in the quality of work performed, or other extraneous factors.

11.54 Measures of labour costs from the Labour Costs Survey, however, relate to the aggregate cost incurred by employers in the employment of labour. Changes to employers' total labour cost levels can occur for a variety of reasons other than changes to the price paid for labour services (i.e. rates of pay). These include: changes to the size of their workforce; changes to the composition and occupational structure of their workforce (i.e. changes to the mix of part-time and full-time jobs, changes to the mix of high and low skilled jobs, and changes across industries); and changes to the quantity of work needed to complete a task (i.e. a reduction or increase in hours worked). Estimates of changes in total labour costs from the Labour Costs Survey therefore differ from, and are not comparable with, estimates of changes in the hourly price of labour from the WCI and the forthcoming LPI.

11.55 The following components of labour cost are included in the definition used in the Labour Costs Survey:

- earnings as defined above for AWE and EEH;

plus:

- payments in kind — the value of fringe benefits subject to fringe benefits tax;
- all other payments that are considered irregular and thus excluded from AWE and EEH — these include retrospective pay; pay in advance; severance, termination and redundancy pay; leave loadings; and irregular and annual bonuses;

minus:

- wages and salaries reimbursed under government employment programs;
- workers' compensation payments paid through the payroll;
- superannuation costs — employers' contributions to employee superannuation schemes including employee wages and salaries 'sacrificed' into superannuation contribution payments;
- workers' compensation costs — employers' contributions to workers' compensation insurance schemes plus any other costs not reimbursed by insurers;
- fringe benefits tax; and
- payroll tax.

11.56 The following costs, defined in the international guidelines as labour costs, are excluded from the Labour Costs Survey:

- employers' costs of vocational training;
- employers' costs associated with employee welfare services; and
- recruitment costs.

11.57 The LPI will eventually measure changes in the price paid for labour services covering wages and salaries (measured by the WCI) plus the following non-wage items: paid leave; employer funded superannuation; payroll tax; workers' compensation; fringe benefits; and fringe benefits tax. When fully developed, the components of labour costs measured in the LPI will be consistent with those measured in the Labour Costs Survey⁴. It is expected that collection of data for the compilation of subindexes including superannuation, paid leave and public holidays will commence from late 2001, with publication from 2003.

⁴ The value of any salary sacrificed to superannuation will be excluded from estimates of quarterly change in superannuation costs produced by the LPI. This will avoid double counting, as salary sacrifice into superannuation is included in the WCI (paragraph 11.58). This treatment differs from the Labour Costs Survey, where salary sacrificed into superannuation is included in the superannuation component of labour costs, rather than the earnings component (paragraph 11.55).

11.58 Currently the LPI produces quarterly changes in wage and salary costs as measured by the WCI. This definition comprises:

- payments in kind — the value of any salary sacrificed, but excluding the value of payments in kind that cannot be salary sacrificed; and
- all components of earnings as defined above for AWE and EEH except:
 - shift allowances and shift penalty payments; and
 - taxable allowances.

11.59 The definition of wage and salary costs used in the WCI differs from the definition of earnings used in the Labour Costs Survey. Included in the Labour Costs Survey but excluded from the WCI are: shift allowances and shift penalty payments; taxable allowances; and fringe benefits. As the WCI is a price index, it also excludes changes in payments relating to the quality and/or quantity of work performed which are included in 'earnings' in the Labour Costs Survey. The value of any salary sacrificed, one component of payment in kind, is also included in the WCI but excluded from the Labour Costs Survey.

LABOUR COSTS SURVEY

11.60 The Labour Costs Survey is designed to produce estimates of employers' labour costs. The survey is conducted on a five yearly basis and a 12 month reference period is used. Estimates are produced on a cash basis i.e. they reflect actual payments made in the annual reference period. As such they do not reflect costs incurred in the reference period for which payments are made in an earlier or later period, but they include payments made in the survey reference period for costs incurred in an earlier or later period. Measures of labour costs available from the Labour Costs Survey include total labour costs, composition of total labour costs and average labour costs per employee. The latter two measures are discussed further below.

Composition of total labour costs

11.61 Measures of the composition and components of total labour costs are only available from the Survey of Labour Costs. The components of labour costs include:

- earnings;
- superannuation;
- payroll tax;
- workers' compensation; and
- fringe benefits tax.

11.62 *Earnings* — the same definition of earnings is used for the Survey of Labour Costs as is used for AWE and EEH except for: certain payments in kind and irregular earnings, which are included in the Survey of Labour Costs but excluded from AWE and EEH; wages and salaries reimbursed under government programs, which are excluded from the Survey of Labour Costs but included in AWE and EEH; and workers' compensation payments paid through the payroll, which are excluded from the Survey of Labour Costs but included in AWE and EEH. A fuller description of earnings from the Survey of Labour Costs is provided in paragraph 11.55.

11.63 *Superannuation* comprises employer-funded contributions to superannuation funds on behalf of employees. Contributions by employees are excluded. Readers should note that due to the different funding arrangements adopted in the public and private sectors, estimates of superannuation from the survey are not directly comparable between the sectors, as explained below.

11.64 Historically, public sector superannuation has been handled differently to that of the private sector. Public sector superannuation schemes can be either 'fully funded', i.e. where funds are set aside in advance to meet future liabilities, similar to most private sector schemes, or they can be 'unfunded', i.e. met on an 'emerging cost' basis where costs are met only as the liability becomes due. Increasingly, public sector schemes are of the fully funded type. Private sector superannuation schemes are fully funded. In the 1996–97 survey, individual Commonwealth general government organisations recorded regular employer superannuation contributions in their budgets in respect of unfunded schemes. In the 1993–94 survey, individual Commonwealth general government agencies did not report these costs in respect of unfunded superannuation schemes, as they were not recorded in agency budgets.

11.65 In addition, the costs of public sector superannuation can be met on two bases:

- Costs can be met from the annual budgets of individual agencies, although these employer superannuation contributions may not necessarily be paid directly into superannuation funds. Agency-funded employer superannuation contributions are included in the superannuation estimates from this survey.
- The Commonwealth Government and the State Governments can meet the costs directly from consolidated funds. The costs paid out of consolidated funds are not collected in the survey, but separate estimates of net expenditure on superannuation by general government are included in the survey publication *Labour Costs, Australia* (Cat. no. 6348.0).

Composition of total labour costs continued

11.66 *Payroll tax* is defined as the amount of tax paid during the survey reference year in respect of the gross wages and salaries of employees, net of any rebates. Payroll tax assessed for payments to contractors and other persons not considered as employees is excluded.

11.67 *Workers' compensation* is defined as the cost to the employer in providing workers' compensation cover for employees. There are three ways to meet these costs:

- The majority of employers pay a premium to an insurer. In this case, workers' compensation costs are considered to comprise: premiums paid during the survey reference year including the component that covers an employee for common law damages; and any workers' compensation costs not reimbursed by the insurer including 'make-up' and 'excess' pay.
- Some larger employers may become 'self-insurers' and cover most costs themselves. Workers' compensation costs are considered to comprise: lump sum payments and payments made as part of employee earnings; premiums paid during the year to offset liability at common law for workers' compensation; and any other costs, including common law costs *not* reimbursed by the insurer, such as legal, accounting, medical and administrative costs.
- In the public sector, some workers' compensation costs are paid from consolidated funds. In most cases these payments relate to liabilities incurred under prior legislation. The amounts paid from consolidated funds are *not* collected in the survey, but separate estimates are included in the survey publication *Labour Costs, Australia* (Cat. no. 6348.0).

11.68 *Fringe benefits tax* is defined as the tax payable in respect of most fringe benefits provided by employers to employees. Generally, tax is payable on the gross taxable value of the benefits⁵ in the fringe benefits tax year, 1 April to 31 March. Not all organisations which provide fringe benefits to their employees are required to pay fringe benefits tax.

11.69 Fringe benefits are non-cash remunerations (e.g. use of cars, low cost housing loans and accommodation) provided to employees as part of their employment packages.

Labour costs per employee

11.70 Estimates of labour costs per employee are derived by dividing estimates of total labour costs by estimates of numbers of employee jobs. Labour costs per employee represent the average labour costs of employee jobs. They do not relate to the labour costs of the 'average employee'.

⁵ Gross taxable value of the benefits — fringe benefits tax is paid on the value of the benefits provided although exemptions apply to some categories of benefits (such as superannuation).

11.71 Changes in labour costs per employee may be affected not only by changes in the underlying level of labour costs, but also by changes in the size and composition of the workforce and in hours worked.

WAGE COST INDEX

11.72 The Wage Cost Index comprises four sets of component price indexes:

- ordinary time hourly rates of pay — excluding bonuses;
- ordinary time hourly rates of pay — including bonuses;
- total hourly rates of pay — excluding bonuses; and
- total hourly rates of pay — including bonuses.

11.73 The indexes that *exclude* bonuses are ‘pure’ price indexes: i.e. they aim to measure changes over time in the wage and salary cost of a representative ‘basket’ of jobs, unaffected by changes in the quality or quantity of work performed. This is referred to as ‘pricing to constant quality’. These indexes are unaffected by shifts in the distribution of employees across occupations and industries, and between full-time and part-time jobs.

11.74 The *ordinary time* indexes that exclude bonuses measure quarterly changes in ordinary time hourly wage and salary rates. Changes in rates of pay reflected in these indexes arise from a range of sources including award variations, enterprise and workplace (collective) agreements, centralised wage fixation, and individual contracts and agreements. These indexes are not affected by changes in penalty payments (which fluctuate depending on the number of hours paid at penalty rates), changes in allowances (which fluctuate according to how much work is performed under special conditions e.g. height, dirt, heat allowances) or changes in bonus payments (which may, or may not, relate to an individual’s work performance). Specifically, the following costs are excluded from the ordinary time hourly rates of pay indexes:

- penalty payments for overtime, shifts, weekends and public holidays;
- ordinary time and overtime allowances; and
- bonus payments.

The effect of rolling ordinary time penalty payments and allowances into ordinary time hourly rates is excluded from these indexes. However, when overtime penalty payments are rolled into ordinary time hourly rates, the ordinary time indexes will increase accordingly.

11.75 The *total hourly* indexes that exclude bonuses are based on a weighted combination of ordinary time hourly rates (described in paragraph 11.74) and overtime hourly rates. The combined hourly rates reflect changes in ordinary time hourly rates as well as changes in overtime hourly rates. The effect of changes in the amount of overtime paid at each overtime rate is not reflected in these indexes except when overtime penalty payments are rolled into ordinary time hourly rates. However, when this occurs, the increase in the ordinary time hourly rate will tend to be offset by the elimination of the higher overtime hourly rate, leaving the total hourly indexes largely unchanged.

11.76 The indexes that *include* bonuses reflect the changes in wages and salary rates shown in the pure price indexes, as well as changes in bonus payments; hence they tend to be more volatile than the pure price indexes. Bonus payments are converted to an 'hourly rate' based on the relevant period of work. This hourly rate is then added to the respective hourly wage and salary rates (ordinary time and total hourly) to construct indexes that include bonuses.

11.77 The ABS does not produce estimates of employment-related income as defined in the international guidelines. However, data are collected on the broader measure of income in a number of household collections. The concepts underlying measures of income collected in ABS household surveys are outlined in the ABS's *A Provisional Framework for Household Income, Consumption, Saving and Wealth 1995* (Cat. no. 6549.0). The definition of income outlined in the framework is reproduced below and briefly contrasted with the definition of employment-related income.

INCOME

11.78 The framework defines income as "those receipts (in cash and in-kind) that are of a regular and recurring nature, and are received by the household or its members at annual or more frequent intervals. It includes regular receipts from employment, own business and from the lending of assets. It also includes transfer income from government, private institutions and other households. Income also includes the value of services provided from within the household via the use of an owner-occupied dwelling, other consumer durables owned by the household and unpaid household work. Income excludes capital receipts that are considered to be an addition to stocks, and receipts derived from the running down of assets or from the incurrence of a liability. It also excludes intra-household transfers".

11.79 This definition of income is broader than the definition for 'employment-related income'. It encompasses a number of payments (in cash and in kind) that are not related to employment and thus excluded from the definition of 'employment-related income'. Examples of payments excluded from the definition of 'employment-related income' include:

- transfer income, such as government income support (e.g. pensions, benefits and allowances received from governments) that is not related to employment — in Australia, most government income support is not employment-related;
- income from superannuation schemes (e.g. pensions and annuities) that is not employment-related — such as incomes from schemes where contributions were not related to employment (e.g. investments of inheritance in superannuation/annuity schemes);
- property income that is not related to employment — such as returns from financial assets (e.g. interest, dividends), from non-financial assets (e.g. rent) and from royalties; and
- the value of services provided from within the household via the use of an owner-occupied dwelling, other consumer durables owned by the household and unpaid household work. It should be noted, however, that these elements of income are not currently included in ABS household survey based estimates of income.

11.80 It should also be noted that while the framework defines income as including in-kind receipts, ABS household surveys usually exclude them from estimates of income, or only include a small number of in-kind elements.

DATA SOURCES

Earnings

11.81 Estimates of earnings are available from:

- the Survey of Average Weekly Earnings;
- the Survey of Employee Earnings and Hours;
- the Survey of Employment and Earnings; and
- the Employee Earnings, Benefits and Trade Union Membership Survey (a supplement to the Labour Force Survey).

11.82 Earnings measures are also available from the Labour Costs Survey (estimates of earnings are produced as a component of total labour costs) and the Wage Cost Index (a price index of change in wage and salary costs incurred by employers). Both surveys collect information about employers' labour costs. In addition to employee earnings, the Labour Costs Survey collects information on a range of other costs incurred by employers in the employment of labour. Both surveys are discussed further below.

SURVEY OF AVERAGE WEEKLY EARNINGS

11.83 The quarterly Survey of Average Weekly Earnings produces a range of estimates of average weekly earnings paid per employee job. The following estimates are produced: average weekly ordinary time earnings for full-time adults; average weekly total earnings for full-time adults; and average weekly total earnings for all employee jobs (i.e. whether full-time or part-time, or whether paid at adult or junior rates). These estimates can be classified by sex, sector, industry and State/Territory. The definition of earnings used in the survey is specified in paragraphs 11.24–11.27. Also discussed above (paragraphs 11.34–11.41) are the earnings measures available from ABS business surveys, including estimates of average weekly earnings. For more detail on the content and methodology of the Survey of Average Weekly Earnings see Chapter 27.

SURVEY OF EMPLOYEE EARNINGS AND HOURS

11.84 The biennial Survey of Employee Earnings and Hours produces estimates of earnings distributions and average weekly earnings classifiable by sex, adult/junior status, managerial/non-managerial status, full-time/part-time status, hours paid, components of pay, occupation, industry, sector, level of government, State/Territory, and method of setting pay. This survey also produces estimates of average hourly total earnings for non-managerial employees, classified by male/female, permanent/temporary/casual, State/Territory, and method of setting pay. The definition of earnings used in the survey is outlined in paragraphs 11.24–11.27. Also discussed above (paragraphs 11.34–11.41) are the earnings measures available from ABS business surveys, including measures of average weekly earnings and the various components of pay, except for method used to set pay which is discussed in Chapter 12. For more detail on the content and methodology of the Survey of Employee Earnings and Hours see Chapter 28.

SURVEY OF EMPLOYMENT AND EARNINGS

11.85 The quarterly Survey of Employment and Earnings produces estimates of total quarterly 'earnings'. Estimates of the following earnings components are produced: gross wages and salaries; severance, termination and redundancy payments; and fees paid to directors and office holders. Estimates are classifiable by full-time/part-time status, sector, level of government, public institutional sector (SISCA), industry, and employer unit size (private sector only). The definition of earnings used in the survey is broader than that used in AWE and EEH and is outlined in paragraph 11.29. For more detail on the content and methodology of the Survey of Employment and Earnings see Chapter 29.

SUPPLEMENTARY SURVEY: EMPLOYEE EARNINGS, BENEFITS AND TRADE UNION MEMBERSHIP SURVEY

11.86 An annual supplementary topic to the Labour Force Survey, Employee Earnings, Benefits and Trade Union Membership produces estimates of: average weekly earnings per employee (referred to as mean weekly earnings in the publication). Separate estimates are produced for earnings in main, second and all jobs held by employees; median earnings; and earnings distributions. Estimates are produced for both main job and all jobs, classifiable by a range of socio-demographic and economic variables including age, birthplace, sex, relationship in household, State/Territory of usual residence, industry, occupation, sector, full-time/part-time and hours paid. The definition of earnings used in the survey is outlined in paragraph 11.33. Also discussed above (paragraphs 11.42–11.43) are the earnings measures available from the survey. Caution should be exercised when using earnings estimates from this survey. Estimates from the survey are likely to have a significant downward bias when compared with estimates of earnings from business surveys such as AWE and EEH. This is a result of recall problems encountered by respondents when providing details of their earnings during a personal interview. In contrast, respondents to business surveys generally source earnings details directly from payroll records. For more detail on the content and methodology of the Employee Earnings, Benefits and Trade Union Membership Survey refer to Chapter 20 Section 2.

Compensation of Employees

11.87 As discussed above, 'compensation of employees' is a component of the Australian National Accounts. Estimates of compensation of employees are contained within the Income Accounts of the Australian National Accounts which are published in *Australian System of National Accounts* (Cat. no. 5204.0). For further information on how estimates are obtained see *Australian National Accounts: Concepts, Sources and Methods* (Cat. no. 5216.0).

Labour Costs

11.88 Estimates of total labour costs are available from:

- the Labour Costs Survey; and
- the Business Operations and Industry Performance Series.

11.89 Indexes of changes in hourly labour costs for employee jobs are available from:

- the Wage Cost Index; and
- the Melbourne Institute Wages Report.

LABOUR COSTS SURVEY

11.90 The Labour Costs Survey collects data on the main costs incurred by employers as a consequence of employing labour. All data are collected on a cash basis i.e. they reflect actual payments made in the survey reference period. As such they do not reflect costs incurred in the reference period for which payments are made in a later period, but they include payments made in the survey reference period for costs incurred in a prior period. The survey has a 12 month (financial year) reference period and is conducted five yearly. Estimates of labour costs are produced for the private and public sectors, and include: employee earnings; employer payments for superannuation; workers' compensation; payroll tax and fringe benefits tax. Estimates of total labour costs and costs per employee job can be cross classified by State/Territory, industry, sector, level of government and employer size. The definition of labour costs used in the survey is specified in paragraphs 11.55–11.56. Also discussed above (paragraphs 11.60–11.71) are the labour costs measures available from the survey. For more detail on the content and methodology of this survey see Chapter 26.

BUSINESS OPERATIONS AND INDUSTRY PERFORMANCE SERIES

11.91 Estimates of labour costs from the Business Operations and Industry Performance series are derived using a combination of data from the annual ABS Economic Activity Survey and business income tax data provided by the Australian Taxation Office. This series defines labour costs more narrowly than the Labour Costs Survey. Labour costs are restricted to: wages and salaries paid to employees; employer contributions to superannuation; and workers' compensation. Severance, termination, and redundancy payments are included in wages and salaries. For further information on data content and collection methodologies of this series, readers should refer to *Business Operations and Industry Performance, Australia* (Cat. no. 8140.0).

WAGE COST INDEX

11.92 The Wage Cost Index provides a measure of change in wage and salary costs in the Australian labour market, unaffected by changes in the quality and quantity of work performed. The Wage Cost Index is a Laspeyres price index which measures changes over time in wage and salary rates of pay for employee jobs. A Laspeyres price index measures the change in the price between the current period and the price at a given base period, with the quantity and quality of 'goods and services' (in the case of the Wage Cost Index, the quality and quantity of labour services) being held constant. The Wage Cost Index comprises four sets of quarterly indexes: ordinary time hourly rates of pay excluding bonuses; ordinary time hourly rates of pay including bonuses; total hourly rates of pay excluding bonuses; and total hourly rates of pay including bonuses. Each of these indexes is described more fully above (paragraphs 11.72–11.76). Also set out above (paragraph 11.58) is the definition of wage and salary costs used in the Wage Cost Index. For more detail on the content and methodology of this survey see Chapter 30.

11.93 The Melbourne Institute of Applied Economic and Social Research (University of Melbourne) also produces measures of change in wage rates for total and base pay (these measures are referred to as Pay Indicators) in its quarterly *Melbourne Institute Wages Report*. The collection methodology used by the Melbourne Institute to produce its Total and Base Pay Indicators differs significantly from that used by the ABS to construct the Wage Cost Index, and this should be borne in mind by readers when comparing estimates of wage rate changes across the two collections. For further information on the collection methodology of the Wage Cost Index see references listed above; a brief overview of the collection methodology used to construct the Pay Indicators is provided below.

Overview of methodology for Melbourne Institute's Pay Indicators

11.94 The sample is drawn from the Melbourne Institute's Consumer Sentiment Survey of Australian adult residents. Information is collected on percentage changes to total and base wage rates, over a 12 month period, from persons who have been employed in the same job for the preceding 12 months. The final sample used to construct the Pay Indicators averages around 400–450 persons. Changes in wage rates are weighted averages of responses provided to questions: "By what percentage has your base pay changed over the last 12 months?" and "By what percentage has your total pay changed over the last 12 months?". For further information, refer to the *Melbourne Institute Wages Report*.

Employment-Related Income

11.95 There are no known sources of data for employment-related income. However, measures of the broader concept of 'income' are available from a number of ABS household collections including:

- the Survey of Income and Housing Costs;
- the Household Expenditure Survey; and
- the Census of Population and Housing.

SURVEY OF INCOME AND HOUSING COSTS

11.96 The Survey of Income and Housing Costs collects detailed information on cash income only (no data are collected on income in kind) according to the ABS framework. For more detail on the content and methodology of the survey refer to *Income Distribution, Australia* (Cat. no. 6523.0).

HOUSEHOLD EXPENDITURE SURVEY

11.97 The Household Expenditure Survey also collects detailed information on income according to the ABS framework. Some information is collected on income in kind (namely consumable goods provided by employers). For more detail on the content and methodology of the survey refer to *1998–99 Household Expenditure Survey, Australia: Summary of Results* (Cat. no. 6530.0).

11.98 The Census of Population and Housing collects information on total income levels only. Estimates cannot be classified according to type of income. The Census does not support measures of 'employment-related income'. For more detail on the content and methodology of the Census refer to Chapter 18.

CHAPTER 12

INDUSTRIAL RELATIONS

INTRODUCTION

12.1 The field of industrial relations is complex and diverse, and does not admit readily to statistical measurement. This chapter discusses statistics on: the different methods that are used to set pay in Australia (such as awards, and collective and individual agreements); trade union membership; and industrial disputes. Where they exist and are relevant, international guidelines relating to these statistics are also outlined. The chapter starts with a historical overview of industrial relations in Australia.

HISTORICAL OVERVIEW OF INDUSTRIAL RELATIONS IN AUSTRALIA

12.2 Governments have regulated the Australian labour market since colonial times. Changes to the structures and processes underpinning industrial arrangements have generally followed attitudinal and social change and adjustment in the Australian economy. For most of the last century, highly centralised Commonwealth and State tribunal-based systems of conciliation and arbitration shaped labour-employer relationships. Since the late 1980s, the Australian industrial relations system has been characterised by more decentralised arrangements for labour-employer bargaining.

12.3 Initially unions and employers opposed the establishment of a system of conciliation and arbitration. However, following a series of disastrous strikes in the 1890s, it was narrowly agreed at the Constitutional Conventions to include in the Australian Constitution powers of conciliation and arbitration for the prevention and settlement of industrial disputes that extended beyond the limits of any one State. The first legislation to put the Commonwealth's industrial power into effect was the *Conciliation and Arbitration Act 1904*, under which the Commonwealth Court of Conciliation and Arbitration (forerunner to the Australian Industrial Relations Commission) was established.

12.4 The *Excise Tariff Act 1906*, under which employers were granted tariff protection provided that a fair and reasonable wage was paid to their workers, proved attractive to both unions and employers. The first attempt to define a fair and reasonable wage was made in the Harvester case (1907). This case established the 'basic wage' and initiated an important principle of wage determination: that a fair and reasonable wage should be based on "the normal needs of the average employee, regarded as a human being living in a civilised community". The Harvester standard was used in making other awards; and the basic wage, with margin for skill, became the foundation wage rate.

12.5 The Federal system, with jurisdiction over matters extending beyond State borders, gradually became dominant over the individual State systems. By 1976 nearly 90% of the workforce had come under awards, of which nearly 40% came under Federal jurisdiction. By the mid 1980s there were over 9,000 separate awards with over 250,000 individual award classifications.

12.6 The nexus between tariff protection and the fair wage was weakened in 1973 when the then Labor government oversaw a reduction in overall tariff protection, in an attempt to open up the Australian economy to international competition.

12.7 The opening up of the Australian economy to international competition has continued since then. This in turn has resulted in a much greater emphasis being given to increases in productivity, improvements in work performance, the abolition of rules of demarcation, and workplace restructuring.

12.8 Coincident with these developments was an increased emphasis on agreement making and decentralised bargaining. Decentralisation related to movements away from centralised arbitration and conciliation arrangements (such as awards). These transformations have occurred in both the Commonwealth and State jurisdictions, although the timing and nature of industrial reforms have varied.

12.9 At the Federal level, the introduction of a series of bargaining principles (the Restructuring and Efficiency Principle, the Structural Efficiency Principle, and the Enterprise Bargaining Principle) by the Australian Industrial Relations Commission in 1991 provided a framework for decentralised bargaining and workplace reform. The *Industrial Relations Reform Act 1993* encompassed provisions to better allow enterprise bargaining in non-unionised workplaces. The opening up of collective bargaining to workers not represented by unions meant that wages and employment conditions could be changed without unions being directly involved in negotiations. Further labour market reforms were undertaken through the *Workplace Relations Act 1996* which allowed the development of individual worker agreements (Australian Workplace Agreements) as well as continuing collective worker agreements (Certified Agreements) and prohibited intervention in non-union agreements. The same legislation also facilitated the simplification of awards. At the same time, industrial reform also took place at the State level aimed at encouraging decentralised bargaining and workplace reform.

12.10 By May 2000, 24.1% of employees had their pay set at exactly the applicable award rate of pay, 33.7% had their pay set in a registered collective agreement, and 38.8% had their pay set in an unregistered individual agreement (Survey of Employee Earnings and Hours, 2000).

12.11 Coincident with industrial reform in Australia have been declining levels of trade union membership. For most of the last century the proportion of employees who were union members ranged between 42% and 62%. However, the 1990s witnessed significant reductions, to 26% by 1999.

12.12 For most of the last century the combined effects of State and Federal industrial relations legislation encouraged unionism. One of the aims of the *Conciliation and Arbitration Act 1904* was to facilitate and encourage the organisation of bodies of employers and of employees and the submission of industrial disputes to the Court by organisations. Unions played a critical role in the centralised tribunal based system — indeed the only parties that could request the settlement of a dispute by the Court under the Act were ‘registered organisations’, that is, unions of employers or employees. The granting of preference clauses in awards for engagement and retrenchment, to unionists over non-unionists, further promoted membership in unions.

12.13 In more recent times the roles of unions under State and Federal industrial relations legislation have been less pivotal. The emphasis on decentralised bargaining and the opening up of both collective and individual bargaining to workers not represented by unions have reduced the role of unions in the wage negotiation process. Restriction of the content of Federal awards to certain allowable matters has further encouraged workers to bargain for wages and other employment conditions outside of award provisions. Other reasons for the decline in union membership include the exclusion of union preference clauses from awards, changing public sentiment towards unions, declines in employment in industries that traditionally were highly unionised, and the emergence of new industries that are not unionised.

12.14 The level of industrial disputation in Australia has also decreased in recent years, with significant declines in strike and lockout activity since the 1980s. Traditionally, awards were the mechanism used by industrial tribunals to settle and prevent disputes, with unions bringing disputes (both ‘actual disputes’ and ‘paper disputes’) to the tribunals to improve the wages and other conditions of employment of their members. However, few disputes are now brought before the industrial tribunals for resolution. Those disputes that are brought before the tribunals tend to be of a longer duration and involve fewer workers. The majority of disputes tend to be short (one day or less in duration) and involve many workers.

12.15 Under decentralised bargaining systems, disputes are generally allowable (legal) only during the period in which employees and employers bargain on wages and other conditions of employment and only so long as the action is supporting or advancing claims in relation to the enterprise bargaining. During the periods for which agreements are in place neither party may legally engage in industrial action (with the exception of Occupational Health and Safety issues). However, disputes do sometimes occur outside these periods.

HOW PAY IS SET

12.16 Statistical measures relating to pay setting mechanisms (such as awards and agreements) are used to monitor the effects of industrial relations reforms and wages policy.

Concepts and International Guidelines

12.17 International guidelines on the production of statistical measures on how pay is set concern collective agreements (ICLS 1926) and relate to the numbers of, contents of, and employee coverage of collective agreements. A *collective agreement* is defined as “a written agreement concluded between one or more employers or an employers’ organisation on the one hand, and one or more workers’ organisations of any kind on the other, with a view to determining the conditions of individual employment, and in certain cases, to the regulation of other questions relative to employment”.

Definitions Used in ABS Surveys

12.18 The ABS does not collect statistics on the numbers or contents of collective agreements as defined by ICLS guidelines described above. However, data about the methods that have been used to determine how pay is set are collected in the ABS Survey of Employee Earnings and Hours¹. The definitions associated with these methods are outlined below.

12.19 The survey identifies a number of different methods used to set pay in Australia, and estimates the proportion of employees who had their pay set using each method. The methods used to set pay identified in the survey are:

- individual agreements or contracts;
- collective agreements; and
- awards.

12.20 Job holders who have an individual agreement or contract with their employer which sets their terms of pay, are classified as having pay set in an individual agreement or contract. Individual agreements or contracts are defined in the survey as agreements setting the terms of employment (pay and/or conditions) for individual employees. Individual agreements or contracts may be verbal but are usually written and signed by both employers and their employees. Information on whether the agreement has been certified, approved or registered with an industrial tribunal (or authority) is also collected. Individual agreements or contracts may be used alone to set pay, or in conjunction with other methods (such as collective agreements and/or awards).

¹ Data on methods used to set pay are only available from Surveys of Employee Earnings and Hours conducted biennially from May 2000 onwards.

12.21 Job holders who have a collective agreement with their employer which sets their terms of pay, are classified as having pay set by a collective agreement. *Collective agreements* are defined as “agreements setting the terms of employment (pay and/or conditions) for a group of employees; they result from bargaining between an employer (or group of employers) and a group of employees (or one or more unions or employee associations representing the employees)”. The survey further describes collective agreements as follows:

- they may be verbal or written;
- they are not usually signed by employees;
- they are usually voted on by employees; and
- they may be used alone to set all of an employee’s pay, or in conjunction with other methods (such as individual agreements and/or awards).

12.22 Information on whether the agreement has been certified, approved or registered with an industrial tribunal (or authority) is also collected for both collective and individual agreements.

12.23 *Awards* are defined as “legally enforceable determinations (or documents) of industrial tribunals that set terms of employment”. Awards are the traditional way of setting minimum pay and conditions in Australia. They may be used alone or in conjunction with other methods to set pay. In the case of jobholders for whom the rate of pay is set in an award, information is also collected about whether overaward pay is received. *Overaward pay* is defined as “a rate of pay above that specified in the award”.

12.24 There are some differences between the international definition of collective agreement and that used in the Survey of Employee Earnings and Hours:

- the definition outlined in the international guidelines is broader than the definition used in the survey. The international definition encompasses both collective agreements and awards as defined in the ABS survey. In the Australian context, an award is simply a form of collective agreement (as per the international definition) that has been certified by an industrial tribunal as an ‘award’; and
- the definition outlined in the international guidelines is restricted to written agreements, whereas the survey definition includes both written and verbal agreements.

DATA SOURCES

COVERAGE

12.25 Estimates of the proportion of employees who have had their pay set by each of the various mechanisms (individual agreements, collective agreements and awards) are periodically produced from the ABS business survey, the Survey of Employee Earnings and Hours². As this survey collects details of all the mechanisms used to set pay, job holders may be counted as covered by more than one mechanism if individual agreements, collective agreements and awards operate in conjunction to set components of pay. However, information is collected in such a way as to enable the relationships between the various pay mechanisms to be identified for different groups of job holders. For more information on the content and collection methodology of this survey, refer to Chapter 28.

NUMBERS AND CONTENTS OF COLLECTIVE AGREEMENTS

12.26 The ABS does not collect statistics on the numbers or contents of collective agreements as defined by ICLS guidelines described above. However, information of this type is available from other sources for collective agreements available under various State and Federal industrial relations jurisdictions. The amount and type of information available vary significantly, and readers should note that statistical measures produced are not necessarily consistent with international statistical guidelines or other ABS measures of the economically active population.

12.27 Measures of numbers of awards and collective agreements that have been arbitrated, certified or registered with industrial tribunals are often published in the annual reports of the various State and Federal industrial relations tribunals. They are generally restricted to the numbers of awards and collective agreements registered over a given reference period, and may also include details of the numbers of awards and collective agreements currently in force and not replaced, and details of employees covered at registration date. Details of the numbers, employee coverage, wage outcomes and contents of certain types of collective agreements are also available from the Australian Centre for Industrial Relations Research and Training, the Commonwealth Department of Employment, Workplace Relations and Small Business (Federal certified agreements) and, from time to time, the equivalent State government departments.

TRADE UNION MEMBERSHIP

12.28 Union membership has declined since the mid 1970s. Factors contributing to this decline include: declines in employment in industries that are traditionally highly unionised (such as manufacturing); the emergence of industries that are not highly unionised; and growth in part-time and casual employment and other forms of employment (such as contractors), which also tend to be poorly unionised.

² Data on methods used to set pay are only available from Surveys of Employee Earnings and Hours conducted biennially from May 2000 onwards.

Concepts and Definitions

12.29 There are no international recommendations or guidelines relating to statistics on trade union membership. However, numbers of employees who are members of a trade union are collected by the ABS annually in a supplementary survey to the Labour Force Survey, the Employee Earnings, Benefits and Trade Union Membership Survey.

12.30 A trade union is defined as an organisation (or employee or professional association) consisting predominantly of employees, of which the principal activities include the negotiation of rates of pay and conditions of employment for its members.

Data Sources

12.31 Estimates of the number and proportion of employees who are trade union members are produced annually from the Employee Earnings, Benefits and Trade Union Membership Survey. Readers should refer to Chapter 20 Section 2 for more detail on the content and methodology of this survey.

DISPUTES

Concepts and International Guidelines

12.32 International guidelines (ICLS 1993) define *labour disputes* as “a state of disagreement over a particular issue or group of issues over which there is conflict between workers and employers, or about which grievance is expressed by workers or employers, or about which workers or employers support other workers or employers in their demands or grievances”. Labour disputes comprise strikes, lockouts and other types of action which workers may be involved with. Involvement may be direct or indirect: for example, workers may participate directly in a strike by stopping work, or indirectly if they are prevented from working because of the strike. Secondary effects of action due to labour disputes are excluded from measures of disputes.

12.33 *Strikes* are defined in international guidelines as “a temporary work stoppage effected by one or more groups of workers with a view to enforcing or resisting demands or expressing grievances, or supporting other workers in their demands or grievance”. *Lockouts* are defined as “a total or partial temporary closure of one or more places of employment or the hindering of the normal work activities of employees, by one or more employers with a view to enforcing or resisting demands or expressing grievances, or supporting other employers in their demands or grievances”. *Other types of action* are defined as “actions effected by one or more groups of workers or by one or more employers, with a view to enforcing or resisting demands or expressing grievances, or supporting other workers or employers in their demands or grievances, in which there is no cessation of work”. Other types of action include work bans, go slows, work limitations etc. *Secondary effects* are “the effects on other establishments where workers are prevented from working or their work is disrupted, or the effects on other groups of self-employed workers who are prevented from working or whose work is disrupted”. Examples of secondary effects include stand-downs because of lack of materials, disruption of transport services, and power shortages.

Concepts and International Guidelines *continued*

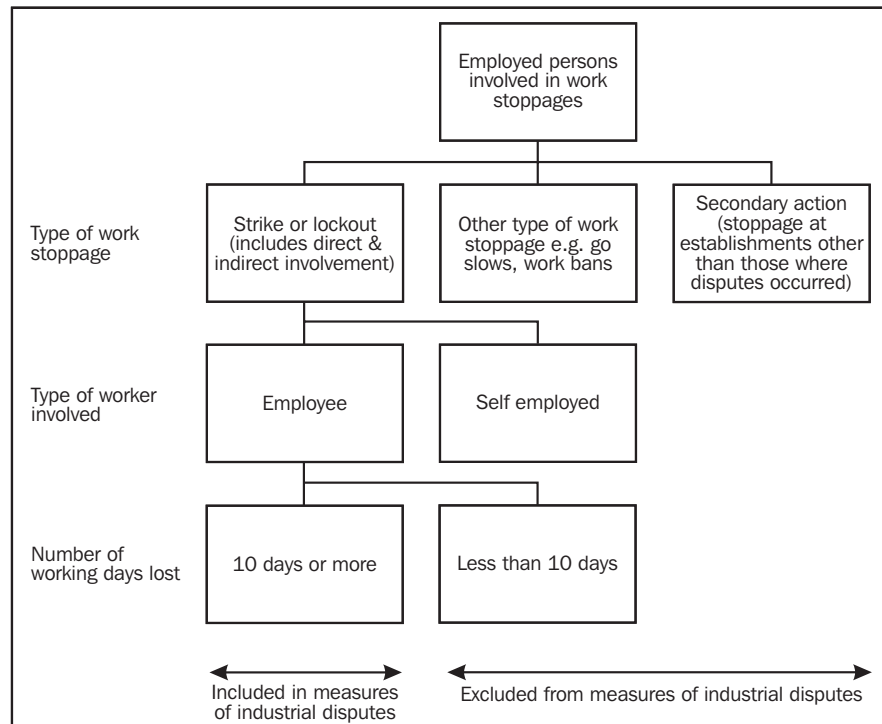
12.34 The international guidelines recommend a core set of statistical measures of disputes be collected, and that these be supplemented or extended by additional measures as appropriate. The core set of statistical measures should cover all strikes and lockouts, and all employees directly involved. Other types of industrial action and the self-employed are not core and should only be included where relevant. Measures of strikes and lockouts that should be collected include: numbers and duration of strikes and lockouts; and both numbers of workers involved and amounts of time lost by workers involved. Where possible, data relating to strikes and lockouts should be collected, compiled and presented separately.

Definitions Used in ABS Collections

12.35 Measures of disputes are collected by the ABS on a monthly basis in the Industrial Disputes Collection. Measures of disputes in this collection are, as much as possible, based on the concepts and definitions outlined in international guidelines. The term 'industrial dispute' is defined more narrowly than in the international guidelines and refers to only 'strikes' and 'lockouts'. An *industrial dispute* is defined as "a withdrawal from work by a group of employees, or a refusal by an employer or a number of employers to permit some or all of their employees to work, each withdrawal or refusal being made in order to enforce a demand, to resist a demand, or express a grievance". The ICLS definitions of disputes, strikes and lockouts explicitly mention the temporary nature of the stoppage or closure, and disputes in support of other workers. However, while neither of these issues is explicitly included in the ABS definition, both are applied in the collection of statistics. Measures of industrial disputes are restricted to stoppages of work of ten working days or more and exclude both 'other forms of action' and the 'self-employed'. The number of working days lost is defined as the total amount of ordinary time lost by employees on strike or locked out, regardless of the length of the stoppage. Measures include direct and indirect involvement at the establishments where the stoppages occurred, but exclude secondary effects of industrial action (e.g. stand-downs at other establishments because of lack of materials).

12.36 Diagram 12.1 illustrates the criteria used to include or exclude industrial disputes from ABS statistical measures.

12.1 TYPES OF DISPUTES INCLUDED IN THE ABS INDUSTRIAL DISPUTES COLLECTION



12.37 Other measures collected in the Industrial Disputes Collection include:

- Cause of dispute — relates to the main cause of stoppages of work and not necessarily all causes that may have been responsible for work stoppages. The classification of ‘cause of dispute’ includes: wages; leave, pensions, compensation; managerial policy; physical working conditions; trade unionism; hours of work; and other causes.
- Duration of dispute — defined as the average number of working days lost per employee involved in the dispute. The duration of the dispute is calculated by dividing the number of working days lost in the dispute by the number of employees involved (both directly and indirectly).
- Employees directly involved in a dispute — those who actually participated in the dispute in order to enforce or resist a demand or to express a grievance.
- Employees indirectly involved in a dispute — those who ceased work at the establishment where the dispute occurred, but who were not themselves parties to the dispute. Employees who ceased work at establishments other than those where the dispute occurred are excluded.
- Employees newly involved in a dispute — for a new dispute, comprises all employees involved, and for an ongoing dispute, those involved for the first time.

Definitions Used in ABS
Collections *continued*

- Total employees in a dispute — comprises those newly involved, plus those who continue to be involved (in the case of an ongoing dispute). Total employees involved for any period of time is obtained by adding together the number of employees involved in each dispute in the period. For any period of time the figures may include details of the same employees involved in more than one dispute.
- Method of settlement — relates to the method directly responsible for ending the stoppage of work and not necessarily to the method(s) responsible for settling all matters in the dispute. Methods include: negotiation; State legislation; Federal and joint Federal and State legislation; resumption without negotiation; and other methods.
- Working days lost — refers to working days lost by employees directly and indirectly involved in the dispute. Working days lost per thousand employees is calculated for a 12 month period by dividing the total number of working days lost by the total number of employees (averaged over the period) and multiplying by 1,000.

Data Sources

12.38 ABS statistics on industrial disputes are published each month in *Industrial Disputes, Australia* (Cat. no. 6321.0). The statistical measures produced and their underlying concepts are described above. Readers should refer to Chapter 24 for more detail on the content and methodology of this collection.

CHAPTER 13

LABOUR PRODUCTIVITY

INTRODUCTION

13.1 The broadest definition of 'productivity', from the ILO, is "the ratio between output and the total input of factors required to achieve it". In this sense, productivity is "the end result of a complex social process including: science, research and development, education, technology, management, production facilities, workers' and labour organisations".

13.2 Most analyses seeking to measure productivity have confined themselves to a partial, or single factor, measure, as opposed to total factor (or multifactor) productivity. Single factor measures of productivity are expressed as a ratio between a given measure of output and a given measure of one factor of production (labour, capital, raw materials, etc.). It follows that there are many measures of productivity, each of which relates to a particular factor of production. Thus it is possible to speak of the productivity of labour, of capital, of raw materials, of power, etc. Such measures reflect the growth in output not accounted for by the growth in that particular factor of production. Thus, the ratio of output to hours worked — often referred to as a measure of labour productivity — reflects the growth in output attributable to all factors of production *other* than hours worked. Often the measure used varies in accordance with the level at which productivity is analysed, e.g. plant, industry, branch of the economy or the economy as a whole.

13.3 The first investigations into productivity were concerned with labour productivity and many more studies have been devoted to it since. It is perhaps because human labour is a universal key resource that labour productivity has remained the centre of interest. It also helps to explain how the term 'productivity' has often been — and often still is — used to mean 'labour productivity'.

CONCEPTS AND INTERNATIONAL GUIDELINES

13.4 While the ILO has published two studies (in 1951 and 1969) on the measurement of labour productivity, no international standards have been promulgated by that organisation. The view taken in the 1969 study was that, while it was useful to have a set of definitions which correspond to the various measures of productivity, it was premature to set standards for a single productivity ratio for each measure. At the same time it was recognised that time worked, labour force, and physical and value-based measures were all appropriate concepts for particular purposes.

13.5 Considerations such as those led an ILO Working Group on Productivity Statistics to make recommendations, especially on the economic coverage of productivity series, the choice of units of measurement for output, and the corresponding labour input. While no recommendation was made as to which concept was most suitable for measuring national output, several participants in the Working Group preferred estimates at constant prices of gross domestic product at factor cost. In respect of the measurement of labour inputs, the concern was to ensure that account was taken of all the activities of all persons engaged in production.

CONCEPTS AND
INTERNATIONAL GUIDELINES
continued

13.6 The Working Group considered that the improvement of labour productivity statistics depended on better national statistics on output, and on the existence of corresponding data for employment or hours of work. Similarly, it was considered that the ability to compare the trend and level of productivity between one country and another improved with the use of comparable concepts for the definition of output, input and prices, and the wider use of international standards in existence in these fields. The standards being referred to, in particular, were those of the International Conference of Labour Statisticians in respect of input, the United Nations System of National Accounts in respect of output, and the International Standard Industrial Classification in respect of scope and classification.

ABS DEFINITIONS,
METHODOLOGY AND
SOURCES

13.7 The ABS recognises that the level of gross domestic product and changes in real gross domestic product are a function of many different factors including capital, labour, technical knowledge, scale of production and managerial efficiency. Changes in any one of these factors can result in productivity changes. While it is impossible to objectively measure the role of these factors separately, it is recognised that one of the most important and widely accepted analytical series, which is used as a proxy for labour productivity, is real gross domestic product per hour worked.

13.8 Estimates on this basis for the market sector as a whole and for each industry in the market sector are compiled by the ABS and published in *Australian System Of National Accounts* (Cat. no. 5204.0). Quarterly indexes of gross domestic product per hour worked are published for the market sector and for the whole economy in *Australian National Accounts: National Income, Expenditure and Product* (Cat. no. 5206.0). The ABS also publishes annual indexes of multifactor productivity for the market sector in Cat. no. 5204.0.

Labour Input

13.9 The choice of a particular series to represent labour input depends upon the use to which the measures are to be put and the nature of the available data. For many purposes it would be desirable for changes in the quality of labour employed (such as the proportion of skilled to unskilled employees) to be reflected in measures of labour input. However, because of data limitations, the measure of labour input used in compiling the estimates presented in *Australian System Of National Accounts* (Cat. no. 5204.0) and *Australian National Accounts: National Income, Expenditure and Product* (Cat. no. 5206.0) is hours worked by total persons employed.

Labour Input <i>continued</i>	<p>13.10 The estimates of hours worked are derived as the product of employment and average hours worked. The employment data comprise all labour engaged in the production of goods and services and include not only civilian wage and salary earners but also employers, self-employed persons, persons working one hour or more without pay in a family business or on a farm, and members of the Australian defence forces. The annual employment and average hours worked figures are simple averages based on the available observations during the year. The actual estimates of employment are drawn from a variety of ABS sources (the major one being the Labour Force Survey) and from the Department of Defence. The estimates of average hours worked are taken from the Labour Force Survey. For further details refer to Chapter 27 of <i>Australian National Accounts: Concepts, Sources and Methods</i> (Cat. no. 5216.0).</p>
Chain Volume Estimates of Gross Domestic Product	<p>13.11 The estimates of real gross domestic product used in the derivation of the ABS labour productivity statistics are annually reweighted chain Laspeyres volume measures. The concepts and definitions used in deriving chain volume estimates are explained in Chapter 10 of <i>Australian National Accounts: Concepts, Sources and Methods</i> (Cat. No. 5216.0).</p>
Gross Domestic Product Per Hour Worked	<p>13.12 In <i>Australian National Accounts: National Income, Expenditure and Product</i> (Cat. no. 5206.0) and <i>Australian System Of National Accounts</i> (Cat. no. 5204.0) the term ‘gross domestic product per hour worked’ (and similar terminology for the industry statistics) is generally used in preference to ‘labour productivity’ because:</p> <ul style="list-style-type: none"> ■ the term is more self-explanatory; and ■ the measure does not attribute change in gross domestic product to specific factors of production.
Industry Classification	<p>13.13 The industry dissections of gross domestic product are referred to as industry gross value added. They and the associated industry estimates of hours worked are derived as consistently as possible in accordance with the <i>Australian and New Zealand Standard Industrial Classification, 1993</i> (Cat. no. 1292.0).</p>

CHAPTER 14

OCCUPATIONAL INJURIES AND DISEASES

INTRODUCTION

14.1 From its inception, the ILO recognised the importance of establishing an adequate statistical basis for the measurement and analysis of risks inherent in employment, and has made recommendations on the concepts associated with those statistics in the first, sixth, tenth, thirteenth and sixteenth (1998) ICLS. Recommendations of the sixteenth ICLS are described in this chapter along with measures of occupational injuries and diseases available for Australia.

CONCEPTS AND INTERNATIONAL GUIDELINES

14.2 ICLS 1998 defined an occupational injury as “any personal injury, disease or death resulting from an occupational accident”. An occupational disease was defined as “a disease contracted as a result of an exposure over a period of time to risk factors arising from work activity”. The following terms, used when measuring the nature and incidence of occupational injuries, were also defined:

- occupational accident — an unexpected and unplanned occurrence, including acts of violence, arising out of or in connection with work, which results in one or more workers incurring a personal injury or death;
- commuting accident — an accident resulting in death or injury which occurs on the habitual route, in either direction, between the place of work or work-related training and: (1) the worker’s residence; (2) the place where the worker usually takes meals; or (3) the place where the worker usually receives remuneration; and
- incapacity for work — arising from an occupational injury, the inability of a worker to perform the normal duties or tasks of the job occupied at the time of the accident.

14.3 ICLS 1998 made recommendations in relation to the coverage of statistics on occupational injuries and the types of information countries should aim to collect. Where practical, countries should aim to cover all occupational injuries as defined above, including non-fatal injuries causing an absence of work of at least one day, excluding the day of the accident, and fatal injuries. The statistics should cover all workers regardless of their status in employment (for example, employees, employers and own-account workers) as well as child workers, informal sector workers and homeworkers.

14.4 The measurement unit recommended to be used for statistics on the nature and incidence of occupational injuries should be the ‘case of occupational injury’. If a person is injured in more than one occupational accident during the reference period, each case of injury to that person should be separately counted. The types of information ICLS 1998 recommended that countries aim to collect include information about: the enterprise, establishment or local unit; the person injured; the injury; and the accident and its circumstances.

DEFINITIONS USED IN
AUSTRALIAN COLLECTIONS

NOHSC National Data Set
for Compensation-Based
Statistics

14.5 In Australia, data on occupational injuries and diseases are principally compiled from administrative records of Commonwealth, State and Territory compensation authorities by the National Occupational Health and Safety Commission (NOHSC). The description of NOHSC below is followed by discussion of the data it collects. Also discussed below are ABS measures of occupational injury and disease.

14.6 The NOHSC was established by the Commonwealth Government to lead and coordinate national efforts to prevent or reduce the incidence and severity of occupational injury and disease. Among its priorities has been the provision of comprehensive and accurate national data on occupational health and safety.

14.7 In April 1987 the first version of the National Data Set (NDS) for Compensation-based Statistics was endorsed by NOHSC. Its primary purpose is to enable the production of national and nationally comparable workers' compensation-based data. Compensation-based data for the NDS have been supplied to NOHSC by State, Territory and Commonwealth workers' compensation agencies each year from 1991–92 onwards.

14.8 A review of the NDS, which addressed the scope, definitional and classificatory issues that had arisen since its implementation, was completed in May 1999. The second edition of the NDS was implemented in State, Territory and Commonwealth workers' compensation systems from 1 July 2000.

14.9 Definitions of occupational injuries and occupational diseases used in the NDS are consistent with international standards.

- Occupational injuries are defined as all employment-related injuries which are the result of a single traumatic event occurring while a person is on duty or during a recess period and where there was a short or non-existent latency period. This includes injuries which are the result of a single exposure to an agent(s) causing an acute toxic effect.
- Occupational diseases are defined as all employment-related diseases which result from repeated or long-term exposure to an agent(s) or event(s) or which are the result of a single traumatic event where there was a long latency period (for example, the development of hepatitis following a single exposure to the infection).

14.10 The NDS coverage of workers' compensation claims is consistent with international standards except for:

- occupational injuries of the self-employed (note: the definition of self-employed workers varies across jurisdictions and is not necessarily consistent with ABS definitions);
- occurrences covered under separate legislation for specific groups of workers;
- occurrences where the workers' compensation claims are pending, in dispute, withdrawn or rejected; and
- occurrences not claimed as workers' compensation.

14.11 The type and level of detail of the information to be collected for each claim is consistent with international standards and include:

- employer description — both in terms of industry and size;
- employee characteristics — date of birth and sex;
- job characteristics — occupation, duty status (e.g. at work, commuting, away from work), and number of hours usually worked each week;
- occurrence details — date of occurrence/report, nature of injury/disease, bodily location of injury/disease, mechanism of injury/disease, agency of injury/disease, breakdown agency; and
- outcome of incident — time lost, severity indicator, payments made.

14.12 Measures of the incidence of occupational injury and disease are also available from the following ABS household surveys: the supplementary survey to the Labour Force Survey, the Work-Related Injuries Survey; and the Special Social Surveys, the Survey of Employment Arrangements and Superannuation, and the National Health Survey.

14.13 While the terminology used in these surveys ('work-related injuries') differs from that used in the international standards, the underlying definitions are broadly consistent with those recommended by the ICLS. However, the ABS has not sought to distinguish between 'work-related illnesses', 'work-related injuries' or 'work-related injuries sustained on journeys to or from work'. Instead the ABS broadly defines work-related injuries as illnesses or injuries sustained as a result of work activities, or on a journey to or from work, or aggravation of pre-existing conditions where employment was a contributory factor.

14.14 The coverage of ABS surveys of work-related injuries is broader than for the NOHSC dataset outlined above and includes:

- injuries sustained by all categories of employed workers;
- injuries that have been claimed under workers' compensation; and
- injuries that have not been claimed under workers' compensation.

14.15 The coverage of work-related injuries by these surveys is consistent with international standards except for:

- work-related illnesses or injuries resulting in death;
- general scope exclusions relating to ABS household surveys as outlined in Chapter 17; and
- specific scope exclusions of each survey:
 - the Work-Related Injuries Survey collects information about injuries sustained by persons who worked at some time during the previous 12 months;
 - the Survey of Employment Arrangements and Superannuation collects information from persons who are currently employed about injuries sustained over the previous 12 months; and
 - the National Health Survey collects information about recent illnesses and long term conditions (and whether they are work-related) of all persons.

14.16 The type of information collected about work-related injuries by the ABS surveys is generally consistent with international standards and is similar to the type of data available from the NOHSC dataset. The level of detail available from the ABS surveys, particularly in relation to injury occurrences and outcomes, is generally much lower than that available from the NOHSC dataset.

14.17 As recommended in the international standards, all three surveys collect detailed information on employee, job and employer characteristics. In addition, the National Health Survey collects details of occurrences (including place of accident/incident, method received accident/incident, and type of illness/injury), and both the Survey of Employment Arrangements and Superannuation and the Work-Related Injuries Survey collect some information on outcomes of work-related injuries. Information collected on outcomes of work-related injuries includes:

- Survey of Employment Arrangements and Superannuation — days or shifts absent related to (most recent) work related injury or illness; and
- Work-Related Injuries Survey — days or shifts absent related to (most recent) work-related injury or illness; sources of financial assistance; and whether applied for workers' compensation and, if not, reasons for not doing so.

DATA SOURCES

14.18 As discussed above, statistics on occupational injuries and disease are primarily available from:

- the National Data Set for Compensation-based Statistics — for more information on the objectives and uses of the national data set, concepts and methods for collecting data, and contents of the dataset, see: *National Occupational Health and Safety Commission, National Data Set for Compensation-based Statistics, Second Edition, May 1999*. This publication is available on the NOHSC website <www.nohsc.gov.au>;
- the Work-Related Injuries Survey — for more information on survey content and methodology see Chapter 20 Section 15;
- the Survey of Employment Arrangements and Superannuation — for more information on survey content and methodology see Chapter 21; and
- National Health Survey — for more information on survey content and methodology see *1995 National Health Survey Users Guide* (Cat. no. 4363.0).

CHAPTER 15

OTHER CLASSIFICATIONS USED IN LABOUR STATISTICS

INTRODUCTION

15.1 Statistics need to be arranged in a coherent structure for compilation and analysis, and to facilitate comparison and combining with other statistical series. This chapter outlines the standard economic, socio-demographic, and geographic classifications used to aggregate labour statistics.

ECONOMIC CLASSIFICATIONS

15.2 The standard economic classifications used in the production of labour statistics are industry and sector. These are discussed below.

Industry

15.3 An industry classification arranges economic activity into ordered categories or groups for analysis. The role of an industry classification therefore is to provide a framework which enables the grouping of businesses which carry out similar economic activity. The Australian and New Zealand Standard Industrial Classification 1993 (ANZSIC) is the standard industry classification used in Australia for the collection, compilation and publication of statistics by industry. It closely aligns with the International Standard Industrial Classification of All Economic Activities (ISIC), Revision 3, adopted by the United Nations Statistical Commission.

15.4 The ANZSIC has a structure comprising four levels: Divisions (the broadest level), Subdivisions, Groups and Classes (the finest level). At the divisional level, the main purpose is to provide a limited number of categories that will provide a broad overall picture of the economy and hence be suitable for publication in summary tables in official statistics. There are 17 divisions within the ANZSIC, each identified by an alphabetical character.

A	Agriculture, Forestry and Fishing
B	Mining
C	Manufacturing
D	Electricity, Gas and Water Supply
E	Construction
F	Wholesale Trade
G	Retail Trade
H	Accommodation, Cafes and Restaurants
I	Transport and Storage
J	Communication Services
K	Finance and Insurance
L	Property and Business Services
M	Government Administration and Defence
N	Education
O	Health and Community Services
P	Cultural and Recreational Services
Q	Personal and Other Services

15.5 The subdivision, group and class levels provide increasingly detailed dissections of the broad categories. For further information on ANZSIC, refer to *Australian and New Zealand Standard Industrial Classification 1993* (Cat. no. 1292.0).

15.6 There are a number of standard classifications which involve dividing the national economy into broad economic sectors. This enables information to be provided about groups of economic units, such as financial corporations or households, that have similar economic functions and institutional characteristics. These classifications are described within the Standard Economic Sector Classifications of Australia (SESCA), the most relevant classifications for labour statistics being the Public/Private classification and the Level of Government classification.

PUBLIC/PRIVATE SECTOR

15.7 The public/private classification is used to identify whether an enterprise is a public or private unit. The public sector includes all government units, such as government departments, non-market non-profit institutions that are controlled and mainly financed by government, and corporations and quasi-corporations that are controlled by government. The private sector includes all other enterprises.

LEVEL OF GOVERNMENT

15.8 The level of government classification is based on the economic function or role of public sector units and enables identification of public sector units by the level of government in which they operate. The classification has the following structure:

- National (or Commonwealth) Government — all public sector units that have a national role or function; i.e. the political authority underlying their functions extends over the entire territory of Australia, or the functions involve policies that are primarily of concern at the national level. Currently included are all Commonwealth government controlled units;
- State/Territory Government — all public sector units that have a State/Territory role or function; i.e. the political authority underlying their functions is limited to a State or Territory, or the functions involve policies that are primarily of concern at a State or Territory level. Currently included are all State/Territory government controlled units; and
- Local government — all public sector units that have a local role or function; i.e. the political authority underlying their function is limited to a local government area or other region within a State or Territory, or the functions involve policies that are primarily of concern at the local level. Currently included are all local government authorities and the units they control.

Note that when a public sector unit cannot be defined unambiguously as under the control of a single government, that unit will be classified to the level of government which typically has that role or function.

15.9 For more information on the classifications within the SESCO refer to *Standard Economic Sector Classifications of Australia* (Cat. no. 1218.0).

SOCIO-DEMOGRAPHIC CLASSIFICATIONS

15.10 A range of socio-demographic data is available from labour-related household collections. Standard classifications used in the presentation of labour aggregates include age, sex, birthplace, marital status, families and households, schooling and educational qualifications, language, occupation and Indigenous status. Statistical standards for social and demographic variables have been developed by the ABS. Those relating to marital status, families and households, post-school educational qualifications, language, and Indigenous status are discussed below. Occupation is discussed in Chapter 4.

Marital Status

15.11 Marital status is a core variable in a wide range of social, labour and demographic statistics, and is almost universally collected in ABS household collections. Its main purpose is to establish the living arrangements of couples in the Australian population. These living arrangements may be based on a legal concept (i.e. registered marriage), or a social, marriage-like arrangement (i.e. de facto marriage). Two separate concepts of marital status are measured, Registered Marital Status and Social Marital Status. These are discussed briefly below. For more information on the marital status classifications refer to the ABS Statistical Concepts Library available online at <www.abs.gov.au>.

REGISTERED MARITAL STATUS

15.12 Registered marital status is a person's relationship status in terms of whether he or she has, or has had, a registered marriage with another person for whom he or she holds, or held, a valid marriage certificate. Persons may be distinguished as:

- Never married
- Widowed
- Divorced
- Separated
- Married

SOCIAL MARITAL STATUS

15.13 Social marital status is a person's relationship status in terms of whether he or she forms a couple relationship with another person. A couple relationship is based on a consensual union, and is defined as two people usually residing in the same household who share a social, economic and emotional bond usually associated with marriage, and who consider their relationship to be a marriage or marriage-like union. This relationship is identified by the presence of a registered marriage or de facto marriage. Persons may be distinguished as:

- Married
 - Registered marriage
 - De facto marriage
- Not married

15.14 The concepts of families and households are fundamental in the collection and dissemination of both social and labour statistics. A household can be thought of, in its broadest sense, as a group of people who live and eat together as a single unit within a dwelling. Notions of what constitutes a family vary. However, it is operationally defined within ABS collections as two or more related (by blood, marriage, adoption, step or fostering) persons, one of whom is at least 15 years of age, who are usually resident in the same household. Households and families constitute the basic groups of social aggregation. While the concept of household is broader than the concept of family, in practice both refer often to the same set of people. Discussed briefly below are the classifications: Household Type; Relationship in Household; Family Type; and Relationship between Families. For further information on these classifications refer to *Standards for Statistics on the Family* (Cat. no. 1286.0).

HOUSEHOLD TYPE

15.15 Statistics on household type provide information on the number and composition of households. Household Type is used to describe and categorise households on the basis of the number of families present, whether or not non-family members are present (family households only), and the number of household members (non-family households only). The standard Household Type classification is:

- Family household with only family members present
 - One family household
 - Two family household
 - Three or more family household
- Family household with non-family members present
 - One family household with non-family members present
 - Two family household with non-family members present
 - Three or more family household with non-family members present
- Non-family household
 - Lone person household
 - Group household
- Not classifiable
 - Not classifiable
 - Visitor only dwelling
 - Other not classifiable
- Not stated/inadequately described

RELATIONSHIP IN HOUSEHOLD

15.16 Statistics on relationships within households provide information on the familial relationships between persons residing within the same household. Operationally, Relationship in Household describes the familial and non-familial relationship of each person within each family in a given household. The familial relationship within each family is measured with reference to a family reference person chosen for that particular family.

15.17 The Relationship in Household classification has a two level hierarchical structure: major group and detailed minor group. The major groups are distinguished from each other in terms of the presence or absence of residency, family membership, and relationship to reference person within the household. The major groups are:

- 1 Husband, wife or partner
- 2 Lone parent
- 3 Child under 15
- 4 Dependent student
- 5 Non-dependent student
- 6 Other related individual
- 7 Non-family member
- 8 Visitor

15.18 The minor group provides more detailed information about the relationship within the household. For example, a child under 15 years of age is further classified as being: a natural or adopted child; a step child; a foster child; an otherwise related child; or an unrelated child.

FAMILY TYPE

15.19 Statistics on family type are used to identify family structures, and are used extensively in measures of the social wellbeing of families. Operationally a family is defined as two or more persons, one of whom is at least 15 years of age, who are related by blood, marriage (registered or de facto), adoption, step or fostering, and who are usually resident in the same household.

15.20 The Family Type classification has a four level hierarchical structure: super group (the broadest level); major group; minor group; and detailed group (the finest level). The super groups are distinguished from each other on the presence or absence of a couple relationship, parent-child relationship, or other blood relationship. The four super groups are:

- 1 Couple family with children
- 2 Couple family without children
- 3 One parent family
- 4 Other family

15.21 The major group, minor group and detailed group provide increasingly detailed dissections of the broad categories. In addition to the four distinct levels, information about the 'type of couple' is provided to distinguish the sex of partners in couple relationships.

RELATIONSHIP BETWEEN FAMILIES

15.22 Statistics on relationships between families are used to identify extended families living within households, and to facilitate the analysis of family networks and the complexities of family life. Data about the types of extended families within households are mainly gathered through questions on relationship in household. Relationships within families are assigned through the initial identification of a family reference person around whom the family may be constructed. Familial or non-familial relationships are established by examining the relationships between the reference persons of each family. The relationships between families that are distinguished are:

- Mother's/father's family
- Grandparent's family
- Son's/daughter's family
- Grandchild's family
- Brother's/sister's family
- Other related family
- Unrelated family

15.23 A standard classification of educational activity, the Australian Standard Classification of Education (ASCED), was released in 2001.

15.24 The ASCED has been developed to classify educational activity by the level and field of the activity. It also provides the flexibility to report statistics on different aspects of education such as enrolments, resources (human and financial) used, or the educational attainment of the population. ASCED has been designed to be applied to a number of education-related concepts, such as a 'qualification', a 'unit of study', a 'module' or a 'course'. The classification includes all pre-primary, primary and secondary education as well as all formal post-secondary education and training. ASCED classifies education according to two elements: level of education; and field of education. These elements are described below and can be used separately or in combination. For further information, refer to *Information Paper: Australian Standard Classification of Education (ASCED)* (Cat. no. 1271.0).

LEVEL OF EDUCATION

15.25 Level of education is a function of the quality and quantity of learning associated with an educational activity and can, in theory, be assessed in terms of the following criteria: the theoretical and vocational orientation of the educational activity; the minimum entry requirements for the educational activity (i.e. the minimum amount of prior education needed to undertake the educational activity at that level); and the course length (or notional duration of the educational activity).

15.26 The level of education classification has nine broad levels:

- 1 Postgraduate Degree Level
- 2 Graduate Diploma and Graduate Certificate Level
- 3 Bachelor Degree Level
- 4 Advanced Diploma and Diploma Level
- 5 Certificate Level
- 6 Secondary Education
- 7 Primary Education
- 8 Pre-Primary Education
- 9 Other Education

FIELD OF EDUCATION

15.27 Field of education refers to the subject matter included in an educational activity. Fields of education are related to each other through the number of subjects they have in common, through the broad purposes for which the study is undertaken, and through the theoretical knowledge which underpins the subject matter. Fields of education are classified into progressively broader groups according to the following criteria: the theoretical content of the course; the purpose of learning; the objects of interest; the methods and techniques; and the tools and equipment.

15.28 The Field of Study Classification consists of three hierarchical levels; Broad Field; Narrow Field; and Detailed Field. The detailed fields aggregate into narrow fields and the narrow fields in turn aggregate into broad fields. The Broad Field categories are:

- 1 Natural and Physical Sciences
- 2 Information Technology
- 3 Engineering and Related Technologies
- 4 Architecture and Building
- 5 Agriculture, Environmental and Related Studies
- 6 Health
- 7 Education
- 8 Management and Commerce
- 9 Society and Culture
- 10 Creative Arts
- 11 Food, Hospitality and Personal Services
- 12 Mixed Field Programmes

15.29 The development of Australia as a multicultural society and the subsequent wider interest in constructing statistical profiles of particular ethnic or cultural population groups has, over the years, increased the use of and need for quality language data. To meet these growing needs, the ABS has incorporated language questions in a range of social statistics collections. Variables collected include 'main language spoken at home', 'first language spoken', and 'proficiency in spoken English'.

15.30 The output classifications for both the ‘main language spoken at home’ and ‘first language spoken’ variables distinguish between English and other languages. Other languages are classified according to the *Australian Standard Classification of Languages* (Cat. no. 1267.0), and readers should refer to this publication for more information on the issue of what constitutes a language as well as for further information on the classification itself.

15.31 Questions on ‘proficiency in spoken English’ are asked only of persons who speak languages other than English at home or whose first language spoken was other than English. Respondents are asked to classify themselves as speaking English: very well; well; not well; or not at all.

15.32 The term Indigenous is used to refer to Australian Aboriginal people and Torres Strait Islanders. Identification of Indigenous peoples is required to build statistical profiles of them across a wide range of areas of social and economic concern. The ‘Commonwealth working definition’ of an Aboriginal or Torres Strait Islander is “a person of Aboriginal or Torres Strait Islander descent who identifies as an Aboriginal or Torres Strait Islander and is accepted as such by the community in which he or she lives”¹. In ABS statistical collections, it is not feasible to collect information on the community acceptance part of this definition, and therefore questions on Indigenous Status relate to descent and self-identification only. In practice, people are asked if they are of Aboriginal or Torres Strait Islander origin. Those who identify themselves as of Aboriginal and/or Torres Strait Islander origin are classified as Indigenous persons.

15.33 The classification (see below) for Indigenous Status has a hierarchical structure comprising two levels. There are four Indigenous Status categories at the detailed level of the classification which are grouped to two categories at the broader level. There is one supplementary category. The classification is often only available at the broader level. For further information, refer to *Standards for Statistics on Cultural and Language Diversity* (Cat. no. 1289.0).

- Indigenous
 - Aboriginal but not Torres Strait Islander Origin
 - Torres Strait Islander Origin but not Aboriginal
 - Both Aboriginal and Torres Strait Islander Origin
- Non-Indigenous
 - Neither Aboriginal nor Torres Strait Islander Origin
- Not Stated

1 Department of Aboriginal Affairs 1981, Report on a review of the administration of the working definition of Aboriginal and Torres Strait Islanders.

GEOGRAPHIC CLASSIFICATIONS

15.34 There are two geographic classifications used by the ABS for the collection and dissemination of geographical statistics: the Australian Standard Geographical Classification (ASGC); and the Standard Australian Classification of Countries (SACC). The ASGC divides Australia into a number of geographical hierarchies to suit different statistical purposes. The SACC is a classification of countries based on the concept of geographic proximity. Both classifications are used in the collection and dissemination of ABS labour-related statistics. They are discussed further below.

Australian Standard Geographical Classification (ASGC)

15.35 The ASGC is a hierarchical classification system consisting of six interrelated classification structures. The ASGC provides a common framework of statistical geography and thereby enables the production of statistics which are comparable and can be spatially integrated.

15.36 In practice, statistical units such as households and businesses are first classified or assigned to a geographical area in one of the six ASGC structures. Data collected from these statistical units are then compiled into ASGC-defined geographic aggregations which, subject to confidentiality restrictions, are then available for publication.

15.37 The six interrelated classification structures of the ASGC are:

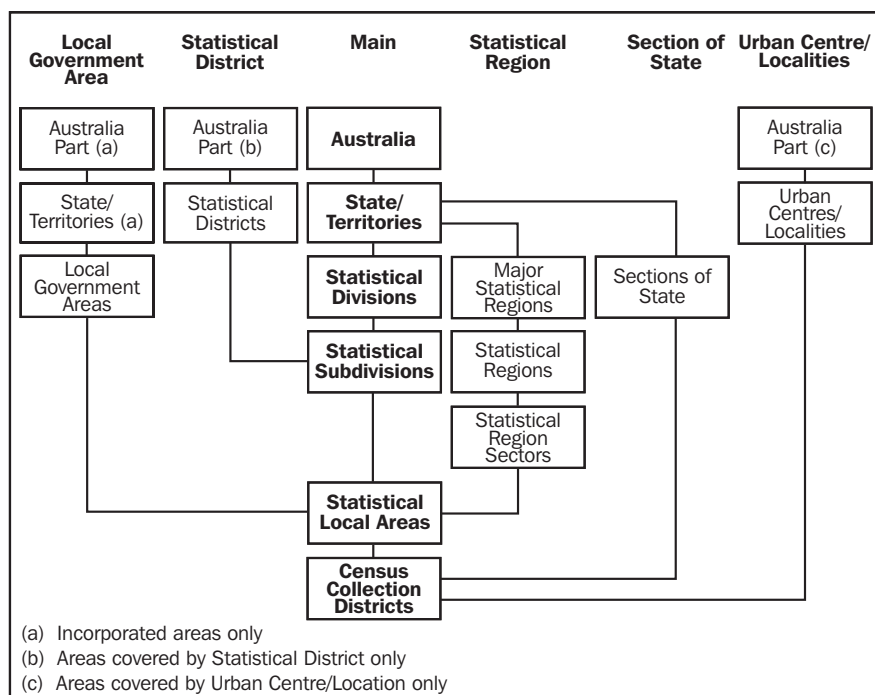
- Main Structure;
- Local Government Area Structure;
- Statistical District Structure;
- Statistical Region Structure;
- Urban Centre/Locality Structure; and
- Section of State Structure.

15.38 Each of these structures serves a specific purpose. In Census of Population and Housing years (e.g. 1986, 1991, 1996), all six structures of the ASGC are used. In intercensal years, only the first four structures are used.

15.39 The Main Structure, the Statistical Region Structure and the Section of State Structure cover the whole of Australia without gaps or overlaps. The other structures cover only part of Australia. These structures are hierarchical, with different structures having different numbers of levels (see diagram 15.1). Each hierarchical level is made up of one type of *geographical spatial unit* (geographical area). The spatial units at each higher level are aggregations of the spatial units at the previous lower level.

15.40 The diagram below depicts the various ASGC structures and shows how they interrelate.

15.1 ASGC STRUCTURE



15.41 The spatial units (geographic areas) in the structures of the ASGC are described in below.

- States and Territories (S/Ts) — these are the largest spatial units in the ASGC. Six States and five Territories are included: New South Wales, Victoria, Queensland, South Australia, Western Australia, Tasmania, Northern Territory, Australian Capital Territory, Jervis Bay Territory and the external territories of Christmas Island and Cocos (Keeling) Islands. Except for the last three mentioned territories, the total area of each S/T, including their off-shore islands, is used for statistical purposes as a separate spatial unit in the ASGC. Jervis Bay Territory, and the territories of Christmas Island and Cocos (Keeling) Islands are included as one spatial unit at the S/T level under the category of Other Territories.
- Statistical Divisions (SDs) — SDs are large, general purpose regional type spatial units used widely in the compilation of ABS statistics. They consist of one or more SSDs and cover the whole of Australia without gaps or overlaps. SDs aggregate to form S/Ts. They do not cross State or Territory boundaries, except in the case of the Other Territories SD which comprises the Jervis Bay Territory and the territories of Christmas Island and Cocos (Keeling) Islands.

- Statistical Subdivisions (SSDs) — SSDs are general purpose spatial units of intermediate size between the Statistical Local Area (SLA) (smaller) and the SD (larger) in the ASGC Main Structure. SSDs are aggregates of SLAs and cover the whole of Australia without gaps or overlaps. They do not cross SD or S/T boundaries except in the case of the Other Territories SSD, which comprises the three territories of Jervis Bay, Christmas Island and Cocos (Keeling) Islands. SSDs also aggregate to Statistical Districts in the Statistical District Structure.
- Statistical Local Areas (SLAs) — SLAs are the base spatial units used to collect and disseminate statistics other than those collected from the Censuses of Population and Housing. In non-census years, the SLA is the smallest unit defined in the ASGC. In census years, an SLA consists of one or more whole Census Collection Districts (CDs). In aggregate, SLAs cover the whole of Australia without gaps or overlaps. SLAs are based on the boundaries of incorporated bodies of local government where these exist. These bodies are the Local Government Councils and the geographical areas which they administer are known as Local Government Areas (LGAs). SLAs can be whole or part LGAs. In the remainder of Australia where there is no incorporated body of local government, SLAs are defined to cover the unincorporated areas. At 1 July 1998 there were 1,332 SLAs in Australia (*Australian Standard Geographical Classification (ASGC) 1998 Edition* (Cat. no. 1216.0)).
- Census Collection Districts (CDs) — The smallest spatial unit in the ASGC in census years, the CD is designed for the collection and dissemination of Census of Population and Housing data. In non-census years, CDs are undefined. Generally, a CD defines an area that one census collector can cover for distribution and collection of forms in about a ten day period. CDs aggregate directly to form the larger spatial units of SLAs, Sections of State (SOS) and Urban Centres/Localities (UC/Ls). In aggregate, CDs cover the whole of Australia without gaps or overlaps. For the 1996 Census, 34,500 CDs were defined throughout Australia.
- Local Government Areas (LGAs) — LGAs consist of one or more SLAs and cover only incorporated areas of Australia. Incorporated areas are legally designated areas such as cities, towns and shires, over which incorporated local governments have responsibility.
- Major Statistical Regions (MSRs) — These units cover the whole of Australia without gaps or overlaps. Each MSR consists of one or more Statistical Regions. MSRs do not cross State/Territory boundaries (except in the case of Other Territories) and serve the same purpose as Statistical Regions, but at a broader level. The larger States are dissected into two MSRs, but because of population size, Tasmania, Northern Territory, Australian Capital Territory and Other Territories each have only one MSR defined.

- Statistical Regions (SRs) — SRs are designed primarily as sufficiently large regional type spatial units suitable for both Population Census and Labour Force statistics. Each SR consists of one or more Statistical Region Sectors.
- Statistical Region Sectors (SRSs) — These units consist of one or more SLAs. They are used primarily for disseminating selected Population Census and Labour Force Survey statistics. SRSs are designed to be subdivisions of SRs, but in practice most SRSs equate with SRs.
- Statistical Districts (S Dists) — S Dists are significant predominantly urban areas in Australia which are not located within a Capital City SD. The boundaries are designed to contain the anticipated urban spread of the area for at least 20 years. They are generally defined around one or more urban centres with a population of 25,000 or more. S Dists consist of one or more SSDs and can straddle State and Territory boundaries (e.g. Gold Coast — Tweed S Dist lies partly in Queensland and partly in New South Wales).
- Urban Centres and Localities (UC/Ls) — UC/Ls are defined for each Census of Population and Housing (undefined in non-census years) and consist of one or more whole adjoining CDs which meet certain population size and other criteria. Localities represent population clusters between 200 and 999 people while Urban Centres represent population clusters of 1,000 or more people. Because of their nature UC/Ls can straddle SLA, LGA, SSD and other ASGC spatial unit boundaries. For statistical purposes, people living in Urban Centres are classified as urban while those in Localities are classified as rural.
- Sections of State (SOS) — These spatial units are defined for each Census of Population and Housing (undefined in non-census years). Like the UC/L structure, the SOS structure of the ASGC uses population counts from the Census of Population and Housing to distinguish CDs between urban and rural. Unlike the UC/L structure, the SOS structure covers all of Australia. Each SOS represents an aggregation of non-contiguous CDs of a particular urban/rural type. The current SOS structure comprises the following categories: Major Urban, Other Urban, Bounded Locality, Rural Balance, and Migratory.

15.42 For further information about the ASGC refer to the *Australian Standard Geographical Classification (ASGC)* (Cat. no. 1216.0).

15.43 The SACC groups neighbouring countries into progressively broader geographic areas on the basis of their similarity in terms of social, cultural, economic and political characteristics. The SACC is the revised edition of the Australian Standard Classification of Countries for Social Statistics (ASCCSS). In addition to making it suitable for economic statistics, a revised edition was required to deal with political change in Eastern Europe (particularly the breakup of the former USSR and former Yugoslavia) and to allow for a more stringent application of the classification criteria in both Europe and surrounding areas such as the Middle East and parts of Asia. The SACC also incorporates previous revisions to the ASCSS.

15.44 The base units in the classification are 'countries'. The 'countries' identified in the classification are of five types:

- fully independent countries (excluding their dependencies, external territories, etc.);
- administrative subdivisions of the United Kingdom (England, Scotland, Wales and Northern Ireland);
- external territories and dependencies of independent countries, for example, Falkland Islands, Martinique;
- units which are recognised geographic areas, the ownership or control of which is in dispute, e.g. West Bank/Gaza Strip; and
- residual categories ('not elsewhere classified' categories) consisting of geographic areas which are not separately identified in the classification and which are not part of one of the separately identified base level units.

15.45 The classification includes all countries currently existing in the world, as defined above.

15.46 The SACC has a hierarchy consisting of three levels:

- the third and most detailed level contains 245 discrete Countries;
- the second level contains 27 Minor Groups which are groups of geographically proximate Countries similar in terms of social, cultural, economic and political characteristics; and
- the first and most general level contains 9 Major Groups which are formed by aggregating geographically proximate Minor Groups and, therefore, comprise Countries which are broadly similar in terms of social, cultural, economic and political characteristics.

15.47 The nine Major Groups of the classification are:

- 1 Oceania and Antarctica
- 2 North-West Europe
- 3 Southern and Eastern Europe
- 4 North Africa and the Middle East
- 5 South-East Asia
- 6 North-East Asia
- 7 Southern and Central Asia
- 8 Americas
- 9 Sub-Saharan Africa

15.48 For further information about the SACC please refer to *Standard Australian Classification of Countries (SACC)* (Cat. no. 1269.0).

CHAPTER 16

OVERVIEW OF SURVEY METHODS

INTRODUCTION

16.1 The methods part of this publication describes the major ABS statistical surveys in the field of labour statistics and their compilation methods. Detailed information on scope, coverage, sample design, collection processes, estimation techniques and statistical output is presented for each of the surveys.

16.2 This chapter provides an overview of key aspects of survey design. It defines and explains key concepts and terms that relate to survey design. It commences with a discussion of sample surveys and censuses, and collection methodologies used in ABS surveys. The rest of the chapter is organised into the following topics: sample design and sampling techniques; estimation; time series estimates; reliability of estimates; output; and data comparability over time.

16.3 The subsequent chapters are organised into two sections. ABS household surveys are presented in Chapters 17 to 22, and ABS business surveys in Chapters 23 to 31. Each section begins with a chapter outlining aspects of survey methodology which are common to the type of survey being discussed (i.e. household or business survey). A separate chapter is then devoted to each major labour-related ABS survey.

SAMPLE SURVEYS VERSUS CENSUSES

16.4 The ABS uses both sample surveys and censuses to collect information from a population about characteristics of interest. In the field of labour statistics, the ABS uses sample surveys of both households and businesses, as well as censuses (such as the Industrial Disputes collection).

16.5 Censuses involve the collection of information from all units in the target population, while sample surveys involve the collection of information from only a part (sample) of the target population.

16.6 Sample surveys have both advantages and disadvantages when compared with censuses. Some advantages are reduced costs (as less time is needed to collect, process and produce data), possible reductions in non-sampling error (this concept is discussed in further detail later in this chapter), improved timeliness, and the potential to gather more detailed information from each respondent.

16.7 A disadvantage of sample surveys is that estimates are subject to sampling error, which occurs because data were obtained from only a sample rather than the entire population (this concept is discussed in further detail later in this chapter). Also, as a result of obtaining only a small number of observations in particular geographical areas and sub-populations, detailed cross-tabulations may be subject to high levels of error, and hence of limited use.

SAMPLE SURVEYS VERSUS
CENSUSES *continued*

16.8 Censuses are generally used when accurate information is sought for many sub-groups of the population. Collecting this type of information from a sample survey would require a very large sample.

COLLECTION METHODOLOGY

16.9 A number of methods are used by the ABS for collecting data. Those most commonly used in labour-related surveys can be categorised into three basic groups:

- interview;
- self-enumeration; and
- documentary sources.

Interview

16.10 The interview method of data collection involves an interviewer contacting data providers, asking the questions, and recording the responses. Interviews can be either personal or involving Any Responsible Adult (ARA), and can be conducted either face to face or over the telephone. Interviews are most commonly used in household surveys.

PERSONAL INTERVIEW

16.11 Personal interviewing involves each provider being questioned about his or her own details.

ANY RESPONSIBLE ADULT INTERVIEW

16.12 The Any Responsible Adult (ARA), or proxy, method of interviewing is used in a number of ABS household surveys as an alternative to personal interviewing. This involves obtaining information about all the persons in a selected household who are in scope of the survey, from the first responsible adult with whom the interviewer makes contact (rather than speaking to each individual personally). The method is only used for collecting information on topics where other members of the household are likely to be able to answer the question. If the ARA is unable to supply all of the details for another individual in the household, a personal interview is conducted.

FACE TO FACE INTERVIEW

16.13 Face to face interviews involve a trained interviewer visiting the provider to conduct the survey. Advantages of this method of data collection are higher response rates and improved data quality. Interviewers are able to help respondents understand the questions and provide correct answers, thereby allowing for the collection of more complex data. The improved quality of the data means that less data editing and correction is required at a later stage.

16.14 However, face to face interviews are expensive. There are costs involved in time and travel to reach the respondents, and in the recruitment, training, and management of an interviewer work force. Other disadvantages are that data can possibly be subject to bias caused by the interviewer's appearance and attitude, and that respondents may not feel free to disclose sensitive or private information to an interviewer.

TELEPHONE INTERVIEW

16.15 In telephone interviews the providers are asked the survey questions over the telephone. This reduces the costs compared to face to face interviews as fewer interviewers are needed and there are no travel costs involved. Telephone interviews can also produce more timely results. Call-backs for 'not-answering' and follow-ups for additional information are relatively quick and inexpensive.

16.16 As with other methods of data collection, there are some drawbacks associated with this approach. There are limits on the number and complexity of questions that can be asked and, because of the ease with which the respondent can terminate the interview, non-response and partial non-response can be higher than with face to face interviews.

16.17 Telephone interviewing is used in both ABS household and business surveys, sometimes in conjunction with face to face interviews. For example, in the Labour Force Survey the first interview is conducted face to face. The remaining interviews are conducted by telephone if the provider agrees.

COMPUTER-ASSISTED INTERVIEW

16.18 When performing a computer-assisted interview, the interviewer enters the data into a computer as they are provided. This allows some edit checks to be carried out at the time of the interview, improving data quality. Overall timeliness of data processing is also improved.

16.19 Self-enumeration surveys are those in which it is left to the providers to complete the survey questionnaires. Three of the most common self-enumeration methods are: dropoff/mail-back, dropoff/pickup, and mail-out/mail-back. These are discussed below. Self-enumeration surveys are most commonly used in business surveys, but can be used in household surveys.

DROPOFF/MAIL-BACK AND DROPOFF/PICKUP

16.20 Dropoff/mail-back and dropoff/pickup methods are used in a number of ABS household surveys. These two closely related methods of self-enumeration both provide higher response rates and data quality than postal surveys. In both cases the questionnaire is delivered to respondents by an interviewer who explains the aims of the survey and how to fill out the questionnaire. The questionnaire is left with the respondent to be completed, and either mailed back or picked up at a later date. An example of a dropoff/pickup survey is the Census of Population and Housing.

16.21 Mail-out/mail-back surveys are used most commonly in ABS business surveys. This approach involves mailing questionnaires to respondents with a return-paid envelope so that the respondent can mail back the completed questionnaire. It allows wide geographic areas to be covered at a relatively low cost (compared to personal interviews), and allows access to 'difficult-to-contact' respondents (e.g. where a post office box is the only address provided). It also allows respondents to complete questionnaires in their own time. Another advantage of mail-out/mail-back surveys is that respondents may feel more comfortable providing data directly to the ABS without divulging confidential information to an interviewer. There are some disadvantages with this approach: response rates can be low; there can be delays between the time the questionnaire is sent out and returned; there are limits on the length and complexity of the questionnaire; and it is necessary to have a complete list of addresses for all units in the sample.

16.22 This method involves the use of existing data, such as administrative data, to obtain information about the survey population as a whole and about individual units. The approach is used in some ABS business surveys to collect information about individual units in the survey population. Payroll records from some government departments, for example, are used in business surveys that collect information on earnings and employment.

16.23 An advantage of using administrative data is that it can save both time and money by removing the need for the ABS to collect the information directly from respondents. Disadvantages of using administrative data are that: often the data quality is below ABS quality standards, requiring substantial manipulation and checking before the data can be used (adding to the expense); the underlying concepts relate to administrative procedures rather than statistical constructs; and sometimes not all the data required for statistical purposes have been collected, or they have not been collected in a manner suitable for the purposes of the ABS.

16.24 All the ABS labour-related sample surveys referred to in this publication (household and business) use probability sampling techniques, drawing their samples from a population frame. This section briefly defines and explains key concepts and terms related to survey design. Subsequent chapters provide more detail on aspects of survey design that are particular to household surveys (Chapter 17) and business surveys (Chapter 23).

16.25 A survey is concerned with two types of population: the target population, and the survey population. The *target population* is the group of units about which information is sought and is also known as the *scope* of the survey. It is the population at which the survey is aimed. The scope should state clearly the units from which data are required, and the extent and time covered e.g. households (units) in Australia (extent) in August 2000 (time).

Population *continued*

16.26 However, the target population is a theoretical population. In practice, there are usually a number of units in the target population which cannot be surveyed. These include units which are difficult to contact and units which are missing from the frame (see 16.28). The *survey population* is that part of the population that is able to be surveyed; it is also called the *coverage population*.

Statistical Units

16.27 Statistical units are used in the design, collection, analysis and dissemination of statistical data. There are several types of units, including: sampling units (the units selected in the sample survey), collection units (the units from which data are collected), reporting units (the units about which data are collected), and analysis units (the units used for analysis of the data). The units used in a survey may change at various stages in the survey cycle. For example, the Labour Force Survey uses a sample of dwellings (sampling unit) from which information is collected from any responsible adult (collection unit) about each person in the household in scope of the survey (reporting units). The results of the survey may then be analysed for families (analysis unit).

Frame

16.28 The frame comprises a list of statistical units (e.g. persons, households or businesses) in the population, together with auxiliary information about each unit. It serves as a basis for selecting the sample. Two types of frames are used in ABS labour-related surveys: list based frames and area based frames.

LIST BASED FRAMES

16.29 List based frames comprise a list of all sampling units in the survey population. List based frames are commonly used in surveys of businesses. ABS business surveys currently draw their list frames from the ABS Business Register. The ABS Business Register is discussed further in Chapter 23.

AREA BASED FRAMES

16.30 Area based frames comprise a list of non-overlapping geographic areas. These areas may be defined by geographical features such as rivers and streets. They are usually used in household surveys. Once an area is selected, a list is made of the dwellings in the area, and a sample of dwellings selected from the list. An area based frame obviates the need to maintain a complete listing of all dwellings in Australia, leading to cost savings. Examples of geographic areas that may be used to create area frames include: local government areas; census collection districts; and postcodes.

AUXILIARY VARIABLES

16.31 Auxiliary variables are characteristics of each unit for which information is known on the frame prior to the survey. Auxiliary variables can be used in the sample design to better target the population of interest, if the information on the frame is of sufficiently high quality. They can also be used in the estimation process in conjunction with the survey data.

FRAME PROBLEMS

16.32 For most sampling methodologies, it is desirable to have a complete list from which to select a sample. However, in practice it can be difficult to compile such a complete list and therefore *frame bias* may be introduced. Frame bias occurs when an inappropriate frame is used or there are problems with the composition of the frame, with the result that the frame is not representative of the target population. Frames become inaccurate for many reasons. One of the most common problems is that populations change continuously, causing frames to become out of date. Frames may also be inaccurate if they are compiled from inaccurate sources. The following are some of the problems that can occur in the composition of frames.

16.33 *Undercoverage* occurs when some units in the target population that should appear on the frame do not. These units may have different characteristics from those units which appear on the frame, and therefore results from the survey will not be representative of the target population.

16.34 *Out of scope units* are units that appear on the frame but are not elements of the target population. Selection of a number of out of scope units in the sample reduces the effective sample size, and increases standard errors. Furthermore, out of scope units appearing on the frame may be incorrectly accounted for in the estimation process which may lead to bias in survey estimates.

16.35 *Duplicates* are units that appear more than once on the frame. The occurrence of duplicates means that the probability of selection of the units on the frame is no longer known. In particular, the duplicate units will have more than the correct chance of selection, introducing bias towards the characteristics of these units. Duplicates also increase standard errors.

16.36 *Deaths* are units that no longer exist in the population but are still on the frame. Deaths have the same impact on survey results as out of scope units.

16.37 The *quality of auxiliary variables* can affect the survey estimates of the variables of interest through both the survey design and the estimation process.

16.38 The ABS attempts to minimise frame problems. The ABS uses standardised sample and frame maintenance procedures across collections. Some of the approaches taken are to adjust estimates using new business provisions (explained further in Chapter 23), and to standardise across surveys the systems for handling estimation, imputation and outliers (explained in Estimation and Weighting).

Probability Samples

16.39 Probability samples are samples drawn from populations, such that every unit in the population has a known, or calculable, non-zero probability of selection which can be obtained prior to selection. In order to calculate the probability of selection, a population frame must be available. The sample is then drawn from this frame. Alternatives to probability samples are samples formed without a frame, such as phone-in polls.

16.40 Probability sampling is the preferred ABS method of conducting major surveys, especially when a population frame is available. Probability samples allow estimates of the accuracy of the survey estimates to be calculated. They are also used in ABS surveys as a means of avoiding bias in survey results. Bias is avoided when either the probability of selection is equal for all units in the population or, where this is not the case, the effect of non-equal probabilities is allowed for in estimation.

Stratified Sampling

16.41 Stratified sampling is a technique which uses auxiliary information available for every unit on the frame to increase the efficiency of a sample design. Stratified sampling involves the division or stratification of the population frame into homogeneous (similar) groups called strata, which can be treated as totally separate populations. A sample is then selected independently from each of these groups, and can therefore be selected in different ways for different strata, e.g. some strata may be sampled using 'simple random sampling' while others may be 'completely enumerated'. These terms are explained below. Stratification variables may be geographical (e.g. State, capital city/balance of State) or non-geographical (e.g. number of employees, industry, turnover).

16.42 All surveys conducted by the ABS use stratification. Household surveys use mainly geographic strata. Business surveys typically use strata which are related to the economic activity undertaken by the business, for example industry and size of the business (the latter based on employment size).

COMPLETELY ENUMERATED STRATA

16.43 Completely enumerated (CE) strata are strata in which information is obtained from all units. Strata that are completely enumerated tend to be those where: each population unit within the stratum is likely to contribute significantly to the estimate being produced (such as strata containing large employers where the estimate being produced is employment); or there is significant variability across the population units within the stratum.

Simple Random Sampling

16.44 Simple random sampling is a probability sampling scheme in which each possible sample of the required size has the same chance of selection. It follows that each unit of the population has an equal chance of selection.

Simple Random Sampling
continued

16.45 Simple random sampling can involve units being selected either with or without replacement. Replacement sampling allows the units to be selected multiple times, whereas without replacement sampling allows a unit to be selected only once. In general, simple random sampling without replacement produces more accurate results as it does not allow sample to be 'wasted' on duplicate selections. All ABS surveys that use simple random sampling use the 'without replacement' variant. Simple random sampling without replacement is used in most ABS business surveys.

Systematic Sampling

16.46 Systematic sampling is used in most ABS household surveys, and provides a simple method of selecting the sample. It involves choosing a random starting point within the frame and then applying a fixed interval (referred to as the 'skip') to select members from a frame.

16.47 Information on auxiliary variables can be used in systematic sampling to improve the efficiency of the sample. The units in the frame can be ordered with respect to auxiliary variables prior to calculating the skip interval and starting point. This approach ensures that the sample is spread throughout the range of units on the frame, ensuring a more representative sample.

16.48 Systematic sampling with ordering by auxiliary variables is only useful if the frame contains auxiliary variables about each of the units in the population, and if these variables are related to the variables of interest. The relationship between the variables of interest and the auxiliary variables is often not uniform across strata. Consequently it is possible to design a sample survey with only some of the strata making use of auxiliary variables.

Probability Proportional to
Size Sampling

16.49 Probability proportional to size sampling is a selection scheme in which units in the population do not all have the same chance of selection. With this method, the larger the unit with respect to some measure of size, the greater the probability that unit will be selected in the sample. Probability proportional to size sampling will lead to unbiased estimates, provided the different probabilities of selection are accounted for in estimation.

Cluster Sampling

16.50 Cluster sampling involves the units in the population being grouped into convenient clusters, usually occurring naturally. These clusters are non-overlapping, well-defined groups which usually represent geographical areas. The sample is selected by selecting a number of clusters, rather than directly selecting units. All units in a selected cluster are included in the sample.

Multi-Stage Sampling

16.51 Multi-stage sampling is an extension of cluster sampling. It involves selecting a sample of clusters (first-stage sample) and then selecting a sample of population units within each selected cluster (second-stage sample). The sampling unit changes at each stage of selection. Any number of stages can be employed. The sampling units for any given stage of selection each form clusters of the next-stage sampling units. Units selected in the final stage of sampling are called final-stage units (or ultimate sampling units). The Survey of Employee Earnings and Hours uses multi-stage sampling — businesses (the first-stage units) selected in the survey are asked to select a sample of ‘employees’ (the final-stage units) using employee payrolls. Household surveys also use multi-stage sampling.

Multi-Phase Sampling

16.52 Multi-phase sampling involves collecting basic information from a sample of population units, then taking a sub-sample of these units (the second-phase sample) to collect more detailed information. The second-phase sample is selected using the basic information supplied, and allows the second-phase sample to be targeted to the specific population of interest. Population totals for auxiliary variables, and values from the first-phase sample are used to weight the second-phase sample for the estimation of population totals.

16.53 Multi-phase sampling aims to reduce sample size (and hence respondent burden and collection costs) while ensuring that a representative sample is still selected from the population of interest. It is often used when the population of interest is small and difficult to isolate in advance, or when detailed information is required. Multi-phase sampling is also useful when auxiliary information is not known for all of the frame units, as it enables the collection of data for auxiliary variables in the first-phase sample.

16.54 The first-phase sample is designed to be large to ensure sufficient coverage of the population of interest, but only basic information is collected. The basic information is then used to identify those first-phase sample units which are part of the population of interest. A sample of these units is then selected for the second-phase sample. Therefore the sampling unit remains the same for each phase of selection. If multi-phase sampling was not used, detailed information would need to be collected from all of the first-phase sample units to ensure reasonable survey estimates. Therefore, multi-phase sampling reduces the overall respondent burden.

ESTIMATION

16.55 Sample survey data only relate to the units in the sample. Therefore the sample estimates need to be inflated to represent the whole population of interest. Estimation is the means by which this inflation occurs.

16.56 The following section outlines various methods of calculating the population estimates from the sample survey data. It then describes various editing procedures used in labour-related statistics to improve the population estimates.

Weighting

16.57 Estimation is essentially the application of weights to the individual survey records. The value of these weights is determined with respect to one or more of the following three factors:

- the probability of selection for each survey unit (probability weighting);
- adjustment for non-response to correct for imbalances in the characteristics of responding sample units (post-stratification); and
- adjustments to agree with known population totals for auxiliary variables — to correct for further imbalances in the characteristics of the selected sampled units (post-stratification, ratio estimation, calibration).

16.58 Weights are determined using formulae (estimators) of varying complexity.

Number-Raised Estimation

16.59 Number-raised weights are given by N/n (where N is the total number of units in the population for the stratum, and n is the number of responding units in the sample for that stratum). The weight assigned to each survey unit indicates the number of units in the target population that the survey unit is meant to represent. For example, a survey unit with a weight of 100 represents 100 units in the population. Using number-raised weights, each survey unit in a stratum is given the same weight. Number-raised weights can only be used to weight simple random samples.

16.60 Advantages of number-raised estimation are: it does not require auxiliary data; it is unbiased; and the accuracy of the estimates can be calculated relatively simply. However, number-raised estimation is not as accurate as some other methods.

Ratio Estimation

16.61 Ratio estimation involves the use of known population totals for auxiliary variables to improve the weighting from sample values to population estimates. It operates by comparing the survey sample estimate for an auxiliary variable with the known population total for the same variable on the frame. The ratio of the sample estimate of the auxiliary variable to its population total on the frame is used to adjust the sample estimate for the variable of interest.

16.62 The ratio weights are given by X/x (where X is the known population total for the auxiliary variable, and x is the corresponding estimate of the total based on all responding units in the sample). These weights assume that the population total for the variable of interest will be estimated by the sample equally as well (or poorly) as the population total for the auxiliary variable is estimated by the sample.

16.63 Ratio estimation can be more accurate than number-raised estimation if the auxiliary variable is highly correlated with the variable of interest. However it is slightly biased, with the bias increasing for smaller sample sizes and where there is lower correlation between the auxiliary variable and the variable of interest.

Post-Stratification

16.64 Post-stratification estimation also involves the use of auxiliary information to improve the weighting from sample values to population estimates. Subgroups of the survey sample units are formed, based on auxiliary variables, after the survey data have been collected. Estimates of subgroup population sizes (based on probability weighting) are compared with known subgroup population sizes from independent sources. The ratio of the two population sizes for each subgroup is used to adjust the original estimate for the variable of interest (based on probability sampling).

16.65 Post-stratification is used to refine the estimation weighting process by correcting for sample imbalance and, assuming that the survey respondents are representative of missing units, correcting for non-response. For example, in the Labour Force Survey, the sample is post-stratified by age, sex, capital city/rest of State, and State/Territory of usual residence. Estimates of the number of people in these subgroups based on Census data are then compared to the estimates based on the survey sample to give the post-stratification weights.

Calibration

16.66 Calibration essentially uses all available auxiliary information to iteratively modify the original weights (based on number-raised weights). The new weights ensure that the sample estimates are consistent with the various auxiliary information. Both post-stratification and ratio estimation can be used as part of the calibration weighting process. Calibration is useful if the survey sample estimates need to match the unit totals for a number of different subgroups or for more than one auxiliary variable. It is mostly used in Special Social Surveys. For example, the Survey of Employment and Unemployment Patterns was weighted so that the survey estimates aligned with both population estimates based on Census data and estimates of the number of people 'employed', 'unemployed' and 'not in the labour force' from the Labour Force Survey.

Editing

16.67 Editing is the process of correcting data suspected of being wrong, in order to allow the production of reliable statistics. Editing occurs prior to weighting and should aim:

- to ensure that outputs from the collection are mutually consistent: for example, two different methods of deriving the same value should give the same answer;
- to correct for any missing data;
- to detect major errors, which could have a significant effect on the outputs; and
- to find any unusual output values and their causes.

16.68 The purpose of editing is to correct non-sampling errors such as those introduced by misunderstanding of questions or instructions, interviewer bias, miscoding, non-availability of data, incorrect transcription, non-response, and non-contact. Non-response occurs when all (total non-response) or part (partial non-response) of a questionnaire is not completed by the respondent. Non-response is a serious problem and can cause bias in the sample based estimates.

16.69 Editing is also used to identify outliers. The statistical term ‘outlier’ has several definitions depending on the context in which it is used. Here it is used loosely to describe extreme values that are verified as being correct, but are very different from the values reported by similar units, and are expected to occur only very rarely in the population as a whole. In practice, an outlier is usually considered to be a unit that has a large effect on survey estimates of level, on estimates of movement, or on the sampling variance. This may occur because the unit is not similar to other units in the stratum — for example, if its true employment is much greater than the frame employment. It may also occur when an extreme value is recorded for some variable from an otherwise ordinary sampling unit. The presence of outliers in the sample, particularly in strata with small sampling fractions¹, may result in grossly inadequate estimates, unless they are treated in a special way.

IMPUTATION

16.70 Imputation involves supplying a value for a non-responding unit, or to replace ‘suspect’ data. Imputation methods fall into three groups:

- the imputed value may be derived from other information supplied by the respondent;
- the imputed value may be derived from information supplied by other similar respondents in the current survey; and
- the values supplied by the respondent in previous surveys may be modified to derive a value.

Three of the imputation methods used in labour-related surveys are described below.

16.71 *Deductive imputation* involves correcting a missing or erroneous value by using other information that reveals the correct answer. For example, a response of 18,000 has been given where respondents have been asked to reply in ‘\$000s’ and where the expected range of responses is 13–21. A quick examination of other parts of the form shows that \$18,000 is very likely the amount actually spent by the respondent, so 18,000 is ‘corrected’ to 18.

16.72 *Central-value imputation* involves replacing a missing or erroneous item with a value considered to be ‘typical’ of the sample or sub-sample concerned. Live respondent mean is an example of central-value imputation. This technique involves calculating the average stratum value for the data item of interest across all responding live units in the stratum, and assigning this value to all live non-responding units in the stratum.

¹ The sampling fraction for a stratum is defined as n/N (where n is the number of units selected in the stratum and N is the size of the population of the stratum).

16.73 *Cold-deck imputation* involves using previous survey data to amend items which fail edits. It may involve copying data from the previous survey cycle to the current cycle. One specific example of this type of imputation is Beta imputation, which involves estimating missing values by applying an imputed growth rate to the most recently reported data for these units, provided that data have been reported in either of the two previous periods.

ADJUSTMENTS FOR OUTLIERS

16.74 When adjusting for outliers, a compromise is always necessary between the variability and bias associated with an estimate. There are two methods available for dealing with outliers. Historically the ABS has used the 'surprise outlier' approach for most business surveys, but over time has gradually changed over to using 'winsorization'.

Surprise outlier approach

16.75 Generally, this technique is used to deal with a selected unit which is grossly extreme for a number of variables. The approach treats each outlier as if it were the only extreme unit in the stratum population. The outlier is given a weight of one, as if it had been selected in a CE stratum. As a result of the outlier's movement to the CE stratum, the weight for units in the outlier's selection stratum has to be recalculated, as the population and sample size have effectively been reduced by one. This has the effect that the other population units which would have been represented by the outlier are now represented by the average of the other units in the stratum. Therefore the choice of treatments for a suspected outlier using the surprise outlier approach are either for it to represent all of the units it would normally represent or to represent no units other than itself. It is preferable to set a maximum number of surprise outliers which can be identified in any one survey.

Winsorizing technique

16.76 This technique is a more flexible approach. Here a value is considered to be an outlier if it is greater than a predetermined cutoff. The effect of the outlier on the estimates is reduced by modifying its reported value.

16.77 On application of the winsorization formula, sample values greater than the cutoff are replaced by the cutoff plus a small additional amount. The additional amount is the difference between the sample value and the cutoff, multiplied by the stratum sampling fraction. Thus winsorization has most impact in strata with low sampling fractions, and the impact decreases as sampling fractions increase. Effectively, winsorization results in the outlier only representing itself, with the remaining population units that would have been represented by the outlier being instead represented by the cutoff.

16.78 Time series are statistical records of various activities measured at more or less regular intervals of time, over relatively long periods. Data collected in irregular surveys do not form time series. The following section outlines the various elements of time series and outlines the ABS method of calculating seasonally adjusted and trend estimates.

16.79 ABS time series statistics are published in three forms: original, seasonally adjusted and trend.

16.80 *Original estimates* are the actual estimates the ABS derives from the survey data or other non-survey sources. Original estimates are composed of trend behaviour, systematic calendar related influences and irregular influences.

16.81 *Systematic calendar related influences* operate in a sustained and systematic manner that is calendar related. The two most common of these influences are seasonal influences and trading day influences.

16.82 *Seasonal influences* occur for a variety of reasons.

- They may simply be related to the seasons and related weather conditions such as warmth in summer and cold in winter. Weather conditions that are out of character for a particular season, such as snow in summer, would appear as irregular, not seasonal, influences.
- They may reflect traditional behaviour associated with various social events (e.g. Christmas and the associated holiday season).
- They may reflect the effects of administrative procedures (e.g. quarterly provisional tax payments and end of financial year activity).

16.83 *Trading day influences* refer to activity associated with the number and types of days in a particular month, as different days of the week often have different levels of activity. For instance, a calendar month typically comprises four weeks (28 days) plus an extra two or three days. If these extra days are associated with high activity, then activity for the month overall will tend to be higher.

16.84 Seasonal and trading day factors are estimates of the effect that the main systematic calendar related influences have on ABS time series. These evolve to reflect changes in seasonal and trading patterns of activity over the life of the time series, and are used to remove the effect of seasonal and trading day influences from the original estimates.

16.85 *Seasonally adjusted estimates* are derived by removing the systematic calendar related influences from the original estimates. Seasonally adjusted estimates capture trend behaviour, but still contain irregular influences that can mask the underlying month to month or quarter to quarter movement in a series. Seasonally adjusted estimates by themselves are only relevant for sub-annual collections.

TIME SERIES ESTIMATES
continued

16.86 *Irregular influences* are short term fluctuations which are unpredictable and hence are not systematic or calendar related. Examples of irregular influences are those caused by one-off effects such as major industrial disputes or abnormal weather patterns. Sampling and non-sampling errors that behave in an irregular or erratic fashion with no noticeable systematic pattern are also irregular influences.

16.87 *Trend estimates* are derived by removing irregular influences from the seasonally adjusted estimates. As they have neither systematic, calendar related influences nor irregular influences present in them, they are a measure of the underlying behaviour of the series.

Calculation of Trend
Estimates

16.88 Trend estimates are produced by smoothing the seasonally adjusted series using a statistical procedure based on Henderson moving averages. At each survey cycle the trend estimates are calculated using a centred x-term Henderson moving average of the seasonally adjusted series. The moving averages are centred on the point in time at which the trend is being estimated. The number of terms used to calculate the trend estimates varies across surveys. Generally, ABS monthly surveys use a 13-term Henderson moving average and quarterly surveys use a 7-term Henderson moving average.

16.89 Estimates for the most recent survey cycles cannot be calculated using the centred moving average method as there are insufficient data to do so. Instead, alternative approaches that approximate the smoothing properties of the Henderson moving average are used — such as asymmetric averages. This can lead to revisions in the trend estimates for the most recent survey cycles until sufficient data are available to calculate the trend using the centred Henderson moving average. Revisions of trend estimates will also occur with revisions to the original data and re-estimation of seasonal adjustment factors.

RELIABILITY OF ESTIMATES

16.90 The accuracy of an estimate refers to how close that estimate is to the true population value. Where there is a discrepancy between the value of the sample estimate and the true population value, the difference between the two is referred to as the 'error of the sampling estimate'. The total error of the sampling estimate results from two types of error:

- sampling error — errors which occur because data were obtained from only a sample rather than the entire population; and
- non-sampling error — errors which occur at any stage of a survey and can also occur in censuses.

16.91 All ABS data are subject to one or both of these types of errors. The following section provides further information on both sampling and non-sampling error and describes various measures of each.

16.92 Sampling error equals the difference between the estimate obtained from a particular sample and the value that would be obtained if the whole survey population were enumerated. It is important to consider sampling error when publishing survey results, as it gives an indication of the accuracy of the estimate and therefore reflects the importance that can be placed on interpretations. For a given estimator and sample design, the expected size of the sampling error is affected by how similar the units in the target population are, and the sample size.

VARIANCE

16.93 Variance is a measure of sampling error that is defined as the average of the squares of the deviation of each possible estimate (based on all possible samples for the same design) from the expected value. It gives an indication of how accurate the survey estimate is likely to be, by measuring the spread of estimates around the expected value. For probability sampling, an estimate of the variance can be calculated from the data values in the particular sample that is generated.

16.94 Methods used to calculate estimates of variance in ABS labour-related surveys are outlined below.

- *Jack-knife* — this method starts by dividing the survey sample into a number of equally sized groups (replicate groups), containing one or more units. Pseudo-estimates of the population total are then calculated from the sample by excluding each replicate group in turn. The jack-knife variance is derived from the variation of the respective pseudo-estimates around the estimate based on the whole sample. This method is used in a number of labour-related business surveys.
- *Ultimate cluster variance* — this method is used in multi-stage sampling schemes (see previous explanation of multi-stage sampling), and involves using the variation in estimates derived from the first-stage units to estimate the variance of the total estimate. This method is used in the Survey of Employee Earnings and Hours.
- *Split halves* — this method involves dividing the sample into half and, from each half, obtaining an independent estimate of the total. The variance estimate is produced using the square of the difference of these estimates. Variations of the split halves method for calculating variance estimates are used in a number of household surveys including the Labour Force Survey.

16.95 The variances indicated in ABS household survey publications are generally based on models of each survey's variance. The variances for a range of estimates are calculated using one of the above methods and a curve fitted to the results. This curve indicates the level of variance which could be expected for a particular size of estimate.

STANDARD ERROR (SE)

16.96 The most commonly used measure of sampling error is called the standard error. The standard error is equal to the square root of the variance. An estimate of the standard error can be derived from either the population variance (if known) or the estimated variance from the sample units. Any estimate derived from a probability based sample survey has a standard error associated with it (called the standard error of the estimate). The main features of standard errors are set out below.

- Standard errors indicate how close survey estimates are likely to be to the expected population values that would be obtained from a census conducted under the same procedures and processes.
- Standard errors provide measures of variation in estimates obtained from all possible samples under a given design.
- Small standard errors indicate that variation in estimates from repeated samples is small, and that therefore it is likely that sample estimates will be close to the true population values, regardless of the sample selected.
- Estimates of standard errors can be obtained from any probability sample — different random samples will produce different estimates of standard errors.
- Standard errors calculated from survey samples are themselves estimates and thus also subject to sampling error.
- When comparing survey estimates, statements should be made about the standard errors of those estimates.
- Standard errors can be used to work out *confidence intervals*. This concept is explained below.

CONFIDENCE INTERVAL (CI)

16.97 A confidence interval is defined as an interval, centred on the estimate, with a prescribed level of probability that it includes the true population value (if the estimator is unbiased) or the mean of the sampling distribution (if the estimator is biased). Estimates from ABS surveys are usually unbiased.

16.98 Estimates are often presented in terms of a confidence interval. Most commonly, confidence intervals are constructed for 68%, 95%, and 99% levels of probability. The true value is said to have a given probability of lying within the constructed interval. For example:

- 68% chance that the true value lies within 1 standard error of the estimate (2 chances in 3).
- 95% chance that the true value lies within 2 standard errors of the estimate (19 chances in 20).
- 99% chance that the true value lies within 3 standard errors of the estimate (99 chances in 100).

16.99 Confidence intervals are constructed using the standard error associated with an estimate. For example, a 95% confidence interval is equivalent to the survey estimate plus or minus two times the standard error of the estimate. Therefore, if the sample survey estimate of a variable was 100 and the estimate had a standard error of 10, the 95% confidence interval could be expressed: “we are 95% confident that the true value of the variable of interest lies within the interval [80, 120]”.

RELATIVE STANDARD ERROR (RSE)

16.100 Another measure of sampling error is the relative standard error (RSE). This is the standard error expressed as a percentage of the estimate. Since the standard error of an estimate is generally related to the size of the estimate, it is not possible to deduce the accuracy of the estimate from the standard error without also referring to the size of the estimate. The relative standard error avoids the need to refer to the estimate, since the standard error is expressed as a proportion of the estimate. RSEs are useful when comparing the variability of population estimates of different sizes. They are commonly expressed as percentages.

16.101 Very small estimates are subject to high RSEs which detract from their usefulness. In ABS labour-related statistical publications, estimates with an RSE greater than 25% but less than 50% have an asterisk (*) displayed beside the estimate, indicating they should be used with caution. Estimates with an RSE greater than 50% have two asterisks (**) displayed beside the estimate, indicating they are so unreliable as to detract seriously from their value for most reasonable uses.

16.102 Non-sampling error refers to all other errors in the estimate. Non-sampling error can be caused by non-response, badly designed questionnaires, respondent bias, interviewer bias, collection bias, frame deficiencies and processing errors. It is often difficult and expensive to quantify non-sampling error.

16.103 Non-sampling errors can occur at any stage of the process, and in both censuses and sample surveys. Non-sampling errors can be grouped into two main types: systematic and variable. Systematic error (called bias) makes survey results unrepresentative of the population value by systematically distorting the survey estimates. Variable error can distort the results on any given occasion, but tends to balance out on average over time.

16.104 Every effort is made to minimise non-sampling error in ABS surveys at every stage of the survey, through careful design of collections, and the use of rigorous editing and quality control procedures in the compilation of data. Some of the approaches adopted are listed below.

- Reducing frame deficiencies — refer to paragraphs 16.32 to 16.38 above.
- Reducing non-response — non-response results in bias in the estimate because it is possible the non-respondents have different characteristics to respondents, leading to an under-representation of the characteristics of non-respondents in the sample survey estimate. The ABS pursues a policy of intensive follow up of non-respondents. This includes multiple visits or telephone calls in an attempt to contact respondents, and letters requesting compliance with the survey. Partial non-response is also followed up with respondents.
- Reducing instrument errors — these errors relate to poor questionnaire design, leading to questions which are not easily understood by respondents, and hence incorrect responses. This is particularly relevant for household surveys. The ABS ensures that all household survey questionnaires are carefully tested using cognitive testing, and dress rehearsals of the survey before it is officially conducted. New business survey questionnaires and additional questions in business surveys are also rigorously tested before they are introduced.

MEASURES OF NON-SAMPLING ERROR

16.105 Non-sampling error is difficult to quantify; however, an indication of the level of non-sampling error can be determined from a number of quality measures. These include:

- Response rates — the number of responding units in a survey expressed as a proportion of the total number of units selected (excluding deaths). Response rates can also be calculated for individual questions within a survey.
- Imputation rates — the number of responses which need to be imputed expressed as a proportion of the total number of responses.
- Coverage rates — an estimate of the proportion of units in the target population which are not covered by the frame.
- Any Responsible Adult rates — the number of responding units in a survey for which information was supplied by a responsible adult rather than personally, expressed as a proportion of the total number of responding units. Any Responsible Adult rates can only be calculated for household surveys. For further information on personal interview and Any Responsible Adult collection methodologies, see paragraphs 16.11 to 16.12.

OUTPUT

16.106 The ABS's objectives in dissemination are to ensure widespread availability of information, while recovering the marginal costs involved in providing products and services for private benefit.

16.107 To meet the ABS's 'public good' obligations, the main findings of statistical collections and statistical reports on matters of public interest are made available free of charge to the community via the media. ABS publications are made available free to parliamentarians, major news media organisations, and parliamentary, public and tertiary institution libraries. In addition, the ABS conducts a Library Extension Program within 515 libraries participating throughout Australia. These libraries are provided with free ABS publications and some electronic services to meet the needs of their local communities. Free access is also available to selected statistics on the ABS website <www.abs.gov.au>.

16.108 The ABS policy of charging is intended to serve four main purposes:

- to enable the demand for ABS products and services to be used as a more reliable indicator of how ABS resources should be used;
- to encourage users to address their real needs for ABS products and services;
- to relieve the general taxpayer of those elements of the cost of the statistical services which have specific and identifiable value to particular users; and
- to promote sensible investment in client service facilities.

16.109 A number of international agencies, including the International Monetary Fund and the ILO, have put forward a range of proposals and guidelines for the dissemination of data including: the methodology of their collection and compilation, and evaluation as to their accuracy; relevance to the phenomena measured; and quality of the output. In particular, the ILO at its 1998 ICLS endorsed a set of 20 guidelines concerning dissemination practices for labour statistics (the ICLS Guidelines can be found on the ILO website at the following address: <<http://www.ilo.org/public/english/bureau/stat/standards/guidelines/index.htm>>). The ILO guidelines, and a comparison of these guidelines with ABS practice, are contained in the Appendix.

Dissemination Media

16.110 The ABS uses a range of media for the dissemination of labour statistics but, in line with clients' preferences, publications are the prime release medium and are available in both printed and electronic form.

16.111 In addition to publications, a range of other dissemination media are used in the release of labour statistics. The ABS produces, free of charge, a quick reference information service for basic statistical information, including information on labour statistics. The service operates in response to telephone calls, email, correspondence and personal visits. The ABS also offers information consultancy services on a fee for service basis, for clients requesting more complex information.

Dissemination Media
continued

16.112 Confidentialised Unit Record Files are available for some labour collections. These files contain the responses received for each unit in the survey, with any identifying information removed.

16.113 The ABS offers a range of subscription services including AusStats and ABS@. AusStats and ABS@ are both web-based information services making the ABS standard product range available on-line. Information available through AusStats and ABS@ includes: all ABS publications from 1998 onwards in Adobe Acrobat format (.pdf); multi-dimensional datasets in SuperTABLE format; Census Basic Community Profiles to the Statistical Local Area level in Excel spreadsheet format; and a range of free summary information including Main Features, Release Advices and Australia Now. AusStats is accessed through the ABS web site and offers a number of subscription plans to suit different requirements. The ABS@ service, which is replicated daily onto the Intranets of subscribing organisations, enables all staff within those organisations to access ABS services.

Confidentiality

16.114 All releases of data from the ABS are confidentialised to ensure that no unit (e.g. person or business) is able to be identified. The ABS applies a set of rules, concerning the minimum number of responses required to contribute to each data cell of a table, and the maximum proportion that any one respondent can contribute to a table cell, to ensure that information about specific units cannot be derived from published survey results.

16.115 In some instances it is not possible to confidentialise responses from businesses that contribute substantially to a data cell. In this case, agreement is sought from the business for their data to still be published. If agreement is not reached, all affected data cells are suppressed.

DATA COMPARABILITY OVER
TIME

16.116 The ABS aims to produce consistent and comparable time series of data by minimising changes to ongoing surveys. However, the frequency of collection, collection and sample methods, concepts, data item definitions, classifications and time series analysis techniques are all subject to maintenance, change and/or development.

16.117 The desire for comparable data must be balanced with a requirement for data to remain relevant. In addition, sound survey practice requires careful and continuing maintenance and development to ensure the integrity of the data and the efficiency of the collection. Some survey features are reviewed regularly, while others are changed only as the need arises. For example, the sample design for the Labour Force Survey is based on the Population Census (conducted every five years), and is therefore reviewed on a five-yearly cycle. Updates to the seasonally adjusted and trend series resulting from time series analysis are also changed regularly.

DATA COMPARABILITY OVER
TIME *continued*

16.118 On the other hand, irregular changes to questionnaires may arise from:

- changes in international recommendations (these usually occur infrequently);
- changes in local needs or conditions;
- reviews of ABS data standards, such as changes to the Industry and Occupation classifications;
- changes to population frames, such as the Business Register; and
- developments in ABS collection methods, such as the introduction of telephone interviewing or computer assisted personal interviewing.

16.119 Changes to ABS surveys which affect the comparability of data over time are usually documented in the explanatory notes of survey publications. Changes to individual labour-related surveys which have occurred to date are also summarised in subsequent chapters.

CHAPTER 17

METHODS USED IN ABS HOUSEHOLD SURVEYS

INTRODUCTION

17.1 This chapter provides an overview of the survey methodology used in ABS household surveys. It should be used in conjunction with Chapter 16, which provides a broad overview of ABS survey methodology, and Chapters 18–22 which provide more detail on aspects of survey design that are particular to specific labour-related household collections.

SCOPE AND COVERAGE

17.2 The scope of ABS household surveys varies from survey to survey. The Census of Population and Housing has the broadest scope of all ABS household surveys and aims to collect information from almost all persons residing in Australia on census night. The Labour Force Survey aims to collect information from a sample of the civilian population aged 15 years and over. The target population of the Labour Force Supplementary Surveys varies across surveys and is generally narrower than that of the Labour Force Survey. The target population of the Special Social Surveys also varies.

17.3 Practical collection difficulties, low levels of response and the small numbers involved have resulted in the exclusion of persons living in private dwellings in remote and sparsely settled parts of Australia from a number of household surveys (exceptions include: the Census of Population and Housing; the Labour Force Survey; and Special Social Surveys whose target population includes persons living in remote and sparsely settled areas). The exclusion of these persons has only a minor impact on any estimates produced for individual States and Territories, with the exception of the Northern Territory, where such persons account for over 20% of the population.

17.4 Some household surveys exclude all persons living in special dwellings from their scope (certain Special Social Surveys). Others exclude certain types of persons living in special dwellings: for example, institutionalised persons¹ and boarding school pupils² are excluded from the scope of most supplementary surveys.

17.5 Coverage rules are generally applied in all household surveys to ensure that each person is associated with only one dwelling, and hence has only one chance of selection. The chance of a person being enumerated at two separate dwellings in the one survey is considered to be negligible.

1 Institutions are defined as: hospitals and homes (including general homes, other hospitals, convalescent homes, homes for the aged, retirement homes, homes for the handicapped and orphanages), and prisons. Institutionalised persons are defined as all persons selected in institutions, apart from live-in staff who do not usually live in a private dwelling.

2 Boarding school pupils are defined as all pupils selected in boarding schools.

COLLECTION METHODOLOGY

17.6 A number of collection methods are used in household surveys, and many surveys use more than one method. The most common method used is interview. Telephone, face-to-face, personal, Any Responsible Adult (ARA) and computer assisted interview are all used in household surveys. Telephone interview is used extensively in the Labour Force Survey and the supplementary surveys; face-to-face interviewing is used extensively in the Special Social Surveys. Personal interviewing is generally used in Special Social Surveys, while ARA interviewing is generally used in the Labour Force Survey and supplementary surveys. Computer assisted interviewing is used in a number of Special Social Surveys. Self-enumeration and administrative data sources are also used, particularly to collect sensitive data or to supplement the data collected by interview. Refer to Chapter 16 for further explanation of different collection methods.

17.7 Intensive follow up procedures for non-response are in place for household surveys. For both face-to-face interviews and telephone interviews, interviewers make a number of attempts to contact households at different times of the day and on different days during the week. For providers unable to be contacted by telephone, a face-to-face visit is attempted. If the provider can still not be contacted within the survey period after repeated attempts, and the dwelling has been verified as not vacant, the dwelling is listed as a non-contact.

SAMPLE DESIGN

17.8 With the exception of the Census of Population and Housing, most ABS household surveys use probability sample designs, drawing their sample from the *Population Survey Master Sample*. The Population Survey Master Sample is drawn from the *Population Survey Framework*. It is designed to meet the needs of the various types of ABS household surveys including the Labour Force Survey and its supplementary topics, as well as the Special Social Surveys.

Population Survey Framework

17.9 The Population Survey Framework is composed of two components: the private dwelling framework and the special dwelling framework. These two frames enable the selection of samples that represent the Australian population.

PRIVATE DWELLING FRAMEWORK

17.10 The private dwelling framework is a list of all census collection districts (CDs) in Australia. There are approximately 34,000 CDs on the framework, with most CDs containing around 250 private dwellings. For most areas, CDs are also the Primary Sampling Units (PSUs) used in sample selection for the Population Survey Master Sample. However in areas with low population density (where CDs contain smaller numbers of private dwellings), PSUs are instead formed by grouping (or pooling) neighbouring CDs. There are some 30,000 PSUs on the framework. Samples of private dwellings for use in household surveys are obtained by selecting a sample of PSUs, then selecting a sample of dwellings within those PSUs. By identifying households in dwellings³, and persons within households, a sample of persons in private dwellings is obtained.

³ Note there may be more than one household associated with a dwelling.

SPECIAL DWELLING FRAMEWORK

17.11 The special dwelling framework is a list of 'special' dwellings, from which samples of special dwellings and their residents can be selected. Special dwellings are establishments which provide predominantly short-term accommodation for communal or group living and often provide common eating facilities. They include hotels, motels, hostels, hospitals, religious institutions providing accommodation, educational institutions providing accommodation, prisons, boarding houses, short-stay caravan parks, and Aboriginal and Torres Strait Islander communities. Some special dwellings are designed for a particular purpose (e.g. hospitals) and, as such, provide accommodation for specific groups of people. Special dwellings each comprise a number of dwelling units. Currently there are some 27,000 special dwellings on the frame.

17.12 The framework also contains information about the average occupancy of each special dwelling. Average occupancy is defined as an approximate yearly average of the number of occupants found in a particular special dwelling.

STRATIFICATION

17.13 The private dwelling framework and the special dwelling framework are divided (stratified) into groups (strata) with similar characteristics. The stratification used in each framework is described below.

Private dwelling framework

17.14 The PSUs on the private dwelling framework are stratified geographically. Strata are formed by initially dividing Australia into geographic regions within each State/Territory which broadly correspond to Statistical Divisions or Subdivisions. There are approximately 100 regions in the framework. Regions are further subdivided, on the basis of population density, to ultimately form approximately 300 private dwelling strata on the frame.

Special dwelling framework

17.15 The special dwelling framework is also stratified geographically, though at a broader level than the private dwelling framework. In many cases the demographic, social and labour force characteristics of the occupants of special dwellings are not typical of the population residing in private dwellings, and therefore it is necessary to sample special dwellings separately by placing them in separate strata within each geographic (sample design) region. This provides for more effective samples of persons within special dwellings and private dwellings, and the flexibility to select some samples which exclude all or some special dwellings, or to select samples in which special attention is paid to persons residing in particular special dwellings.

17.16 The Population Survey Master Sample comprises a sample of PSUs and special dwellings from the Population Survey Framework. Most household surveys conducted by the ABS use samples drawn from the Population Survey Master Sample.

17.17 To satisfy the varying sampling and collection requirements of the many surveys using the Population Survey Master Sample, the sample has been designed to be as flexible as possible. Although the Labour Force Survey, Special Social Surveys and other ABS household surveys all have separate samples of dwellings, they are all selected from the Population Survey Master Sample using the same procedures. In many cases, much of the field work involved in setting up the sample is common to several surveys.

SAMPLE DESIGN

17.18 A multi-stage⁴ area sample design is used to draw the sample of private dwellings from the list of PSUs on the private dwelling framework. For most areas there are three stages of sample selection: the first stage involves the selection of a sample of PSUs (each PSU generally equates to a CD); the second involves the selection of blocks within the selected PSUs; and the third involves the selection of dwellings within the selected blocks. However, for areas with a low population density there are four stages to sample selection: the first stage involves the selection of a sample of PSUs (each PSU is a group of contiguous CDs); the second involves the selection of a sample of CDs from the selected PSUs; the third involves the selection of blocks within the selected CDs; and the fourth involves the selection of dwellings within the selected blocks.

17.19 The use of cluster sampling, ensures that the 'final sampling units', i.e. the dwellings selected in the sample, form groups within which the dwellings are close together. This reduces the cost of compiling dwelling lists, and the amount of interviewer travel between selected dwellings. Highly clustered samples, where a large number of dwellings is selected from each of a small number of small areas, produce the lowest operational costs, but the results are less reliable and less representative of the population at large (i.e. have higher standard errors). A key feature of the design is achieving an acceptable balance between cost and accuracy.

17.20 A multi-stage design is also used to draw the sample of special dwellings from the special dwelling framework. A sample of special dwellings is selected at the first stage and dwelling units (rooms, beds, caravan sites etc.) at the second stage.

⁴ Multi-stage sampling is an extension of cluster sampling — see Chapter 16 for further information.

SAMPLE ALLOCATION

17.21 The allocation of sample between the States is a compromise between accurate national estimates and useable estimates for the smaller States. As a result, the smaller States (and the Territories) have relatively high sampling fractions. The sampling fraction is uniform within States, reflecting the fact that, at the time the methodology was originally devised the State was the smallest geographic area for which estimates were usually published. Some allowance for the higher costs of sampling in non-metropolitan areas is made in the increased clustering of the sample in those areas.

SAMPLE SELECTION

17.22 An adjusted form of *systematic sampling* is used as the selection method for both private and special dwelling samples.

Private dwellings

17.23 As discussed in paragraph 17.18, for most areas there are three stages to sample selection. At the first stage, PSUs are selected systematically with probability proportional to size (in terms of number of dwellings). At the second stage, blocks of 25–50 dwellings are formed and two blocks are selected, again with probability proportional to size. One block is used for the Labour Force Survey sample and the other for a parallel sample. The parallel sample is used for the Special Social Surveys, and for other household surveys where probability based samples are required. At the third stage, all dwellings in the selected blocks are listed and a ‘cluster’ of dwellings — comprising the final selection units — is selected using systematic random sampling. This process limits the need for a listing of dwellings to only those in the selected blocks.

17.24 For private dwellings, the selection of sample units at each stage (other than the last) results in a probability of selection proportional to the approximate number of dwelling units the CDs or blocks contain. At the last stage, in which dwellings are selected, each dwelling within a selected block has the same chance of selection.

17.25 The sampling fractions and selection procedures result in a self-weighting sample which guarantees every dwelling in the same State or Territory the same chance of selection.

Special dwellings

17.26 A systematic sample of special dwellings is selected from the special dwelling list, with probability proportional to size. An independent sample is selected in each region, with the larger special dwellings selected with certainty. When samples are required with special emphasis on particular regions, it is possible to adjust the special dwelling sample as well as the private dwelling sample within those regions.

17.27 Average occupancy is used as the ‘measure of size’ of the special dwelling for selection purposes.

ADJUSTING FOR GROWTH

17.28 The Population Survey Master Sample is reselected once every five years (see paragraph 17.31), with the sample being used up progressively by ABS household surveys over each intervening five year period. Regular checking of the dwellings listed for each selected block, combined with the use of systematic random sampling at the last stage, ensure that all dwellings have the correct probability of selection for all surveys during the five year period (that is, the sample automatically adjusts for growth).

Growth revision

17.29 For the private dwelling sample, special 'growth revision' procedures are applied in areas where pockets of substantial growth have occurred (e.g. new housing subdivisions). Strata where substantial non-uniform growth has occurred are identified (using building approvals data) and each CD within them is represented twice on the frame, once for the dwellings in the CD as at the last population census and once for the growth dwellings. This means that the growth CDs can be selected twice in the sample. All subsequent stages of selection within all selected growth PSUs are the same as for non-growth PSUs. The possibility of excessive distortion occurring in the sample is almost eliminated by this procedure, resulting in a reduction in sampling variability.

17.30 Lists of special dwellings are updated from Census information, previous lists of special dwellings, local knowledge, commercial and other directories, and field work. Special dwellings not on this list are accounted for in the private dwelling sample.

Sample Reselection

17.31 The ABS reselects the Population Survey Master Sample every five years, using preliminary data from the Census of Population and Housing, to ensure that the household survey samples continue to accurately reflect the distribution of the Australian population. As well, the opportunity exists to examine the overall design of individual household surveys to ensure that they remain efficient and cost-effective.

17.32 The use of a constant sampling fraction between sample redesigns for regular surveys such as the Labour Force Survey results in increasing numbers of selections in the sample as the population grows. Also, as more selections are added to the survey, the operational costs increase. To offset these costs, the sampling fraction may be reduced at each redesign. (As standard errors are a function of the sample size rather than the sampling fraction, standard errors will generally not increase with successive redesigns in spite of the decreasing sampling fraction.)

ESTIMATION METHODS

17.33 Household survey estimates are generally calculated using calibration estimation techniques.

Benchmarks

17.34 Estimates of the population produced from household surveys are calculated in such a way as to add up to independently estimated counts (benchmarks) of the population. For the Labour Force Survey these benchmarks are based on Census of Population and Housing data, adjusted for under-enumeration and updated for births, deaths, interstate migration, and net permanent and long term migration. Benchmarks have been developed for State/Territory of usual residence, part of State of usual residence (for example, capital city, rest of State), age and sex. Each cross-classification of these benchmark variables is known as a benchmark cell. Revisions are made to benchmarks after each Census of Population and Housing, and when the bases for estimating the population are reviewed.

17.35 Other household surveys use various combinations of benchmark variables to produce benchmark cells. Some surveys use supplementary information (such as Labour Force Survey estimates), referred to in this context as pseudo-benchmarks, to supplement independent demographic benchmarks based on Census of Population and Housing data. Household surveys may use calibration methods to incorporate other auxiliary information on target populations into estimates — for instance benchmarks for the Indigenous population, or the population of private households.

Non-Response

17.36 For most household surveys, a non-response adjustment is performed implicitly by the estimation system, which effectively imputes for each non-responding person on the basis of all responding persons in the same post-stratum. This adjustment accounts for both full non-response and non-response for individual questions.

Response Rates

17.37 The *response rate* usually quoted for ABS household surveys is defined as the number of fully responding households divided by the total number of households excluding sample loss. Examples of sample loss for household surveys include: households where all persons are out of scope and/or coverage; vacant dwellings; dwellings under construction; dwellings converted to non-dwellings; derelict dwellings; and demolished dwellings.

CHAPTER 18

THE AUSTRALIAN CENSUS OF POPULATION AND HOUSING

INTRODUCTION

18.1 The Australian Bureau of Statistics conducted the first Australian Census of Population and Housing in 1911. It was followed by others in 1921, 1933, 1947 and 1954. Following the 1961 Census, a census has been taken every five years. In 1977 an amendment was made to the Census and Statistics Act requiring that “the census shall be taken in 1981 and in every fifth year thereafter, and at such other times as prescribed”.

18.2 The objectives of the census are threefold. They are:

- to provide information to allow the determination of electoral boundaries;
- to provide information for planning and the disbursement of government funding; and
- to provide data for the construction of a master frame for a wide variety of household surveys.

CENSUS OUTPUT

18.3 Estimates from the 1996 Census were released in two phases, and a similar approach is proposed for the 2001 Census. For the 1996 Census, most data (approximately 80%) were released approximately 11 months after the census was conducted, with the remaining data released within the following twelve months. A number of products are used to release data from the census. These include:

- Community profiles — sets of tables containing key census characteristics of persons, families, households and dwellings, covering most topics on the census forms. Community profiles are available in a number of electronic formats and in hard copy.
- Basic community profiles — sets of tables available for all standard census geographic areas from census collection districts (CDs) to total Australia. Basic community profiles are the standard census product from which most other standard products are created. The data content of the profiles is reviewed with each census.
- Other community profiles — a range of thematic profiles providing a standard set of two or three dimensional tables on such aspects as ethnicity, families, older persons, young people, usual residents, and the working population.
- Publications — census publications provide easily accessible and basic census information to many users. Three types of publications are available: ‘statistical’ which contain tables with some descriptive commentary; ‘thematic’ which present data on a particular theme with a significant amount of analysis and commentary; and ‘State/Territory-specific’ which contain information of local interest

The 'Selected Characteristics' series, and the 'Social Atlases' are examples of census publications. The Selected Characteristics series provides census counts for small areas (SLAs¹), and has been produced in a similar format since 1911. The series includes, for each SLA, data on selected social and housing characteristics, educational and labour force characteristics, and urban centre and localities characteristics. The Social Atlases give a geographic perspective on the characteristics of the population.

- Socio-economic Indexes for Areas (SEIFA) — these indexes are summary measures derived from Census data to reflect differences in socio-economic conditions across geographic areas. The indexes are compiled for all standard geographic areas from CD to State/Territory.
- CDATA — a CD-ROM product containing census data, and desktop mapping and analysis software.
- Household Sample File — a sample file containing a 1% sample of unidentifiable records for private dwellings and associated persons, and for persons in special dwellings.

18.4 The census collects data on a range of topics. The criteria used to select topics for inclusion on the census form are outlined below (paragraph 18.7). The 2001 Census will collect information on the following topics:

Socio-demographic information

Sex, age, relationship in household, marital status, usual residence on census night, usual residence one year ago, usual residence five years ago, religion, Australian citizenship, birthplace, year of arrival in Australia, Aboriginal or Torres Strait Islander origin, father's birthplace, mother's birthplace, language spoken at home, English proficiency, education, age left school, qualifications, and ancestry.

Labour-related information

Labour force status and income. For employed persons, information will also be collected on status in employment, occupation, and journey to work. For unemployed persons, information will be collected on whether looking for full-time or part-time work.

SCOPE AND COVERAGE

18.5 The census aims to enumerate all persons residing in Australia on census night. The census is undertaken on a 'de facto' residence rather than 'de jure' residence basis: i.e. it is based on location on census night rather than on a usual residence basis.

1 SLAs (Statistical Local Areas) are spatial units used to disseminate statistics from the census. They comprise one or more census collection districts (see below) and, in aggregate, they cover the whole of Australia without gaps or overlaps. For further information, see paragraph 15.41.

SCOPE AND COVERAGE
continued

18.6 Persons residing in the external territories of Cocos (Keeling) Islands and Christmas Island were included in the census for the first time in 1996. Persons enumerated in the census include almost all persons in Australia on census night, whether temporary or permanent residents. The only exceptions are diplomatic personnel of other nations resident in Australia. By definition it also excludes Australian residents temporarily overseas.

CONTENT

18.7 Topics for inclusion in the census must meet the following criteria:

- the topic is of major national importance and in accordance with the objectives of the census; and
- there is a defined need for data on the topic for small groups in the population or for small geographic areas. Otherwise, the need could be satisfied from a household survey; and
- the topic is suitable for self-enumeration and meets sensitivity and privacy constraints.

18.8 Prior to a census there is considerable consultation with clients. Client consultation for the 2001 Census was initiated by the release of *Information Paper 2001 Census: ABS Views on Content and Procedures* (Cat. no. 2007.0). This paper described the proposed topics to be included and for which the ABS was seeking further views. It was widely distributed and its availability widely advertised.

18.9 On receipt of submissions, a series of consultative meetings are held, culminating in seeking advice from the Australian Statistics Advisory Council. A report of the final recommendations is then prepared for approval by Cabinet.

18.10 Since the first national census in 1911, the content of censuses has changed. Some topics have been included in each census since 1911, for example age, marital status and religion, while others have been included or excluded depending on the importance of the topic at the time. For information on topics included in each census held from 1911 to 2001, see *How Australia Takes a Census* (Cat. no. 2903.0).

COLLECTION METHODOLOGY

18.11 The census is self-enumerated. Forms and information booklets are distributed by census collectors to every household in Australia prior to census night. The completed forms are then collected in the week or so following census night. The conduct of the census is complex. Various aspects of the collection methodology are discussed below. For more detail see *How Australia Takes a Census* (Cat. no. 2903.0).

Census Night

18.12 The date the census is conducted is carefully chosen. Recent censuses have been conducted in August, the month in which the least population displacement occurs. The day of the census varies, and is chosen to avoid school and other major holidays.

Collection Management

18.13 A hierarchical structure of temporary staff is used to deliver and collect census forms. All staff are appointed under the *Census and Statistics Act 1905* and are subject to the strict confidentiality provisions of the Act.

18.14 ABS State and Territory Offices are responsible for the management of all field staff in their State or Territory. The majority of the workforce, just under 28,000 people, are the census collectors. These deliver a Census Form and Census Guide to every household in their collection district² prior to census night. They are also responsible for collecting forms following Census night.

18.15 As the census is self-enumerated, there is a heavy reliance on the ability of respondents to correctly interpret questions and to answer in the desired manner with the appropriate amount of detail. Collectors are encouraged to make contact with householders, since a high level of householder contact contributes to high response and a low under-enumeration rate. On receipt of the census forms from householders, census collectors are instructed to briefly scan them to ensure that they have been completed.

18.16 In total, more than 32,000 temporary field and collection staff will be involved in the delivery and collection of forms from the 2001 census. These staff need to be recruited, trained, supplied with material, supervised and paid on completion of their work. The development and logistics behind the census are enormous and require careful planning and implementation.

Form Design and Testing

18.17 A program of tests is conducted before each census to decide on the layout and question wording for the census form. A series of seven tests, including a dress rehearsal, was undertaken for the 2001 Census to make the forms as easy as possible for respondents to complete.

18.18 In addition, considerable consultation takes place among a variety of work groups within the ABS to ensure that:

- the team responsible for the development of the processing system is satisfied with the positioning of response areas on the form and the way they are delineated;
- the field operation team is satisfied with the proposed form from the perspective of training the collection workforce; and
- the output team can satisfactorily use the reported data on the form as input to the compilation of specified output for publication.

² The collection district (CD) is the basic geographic unit of collection. A CD is generally a census workload area that one Collector can cover, delivering and collecting census forms in a specified period. For further information see paragraph 15.41.

Public Relations

18.19 Significant investment is made in public communication and media relations activities. Specialist staff are employed for the census collection period, and an advertising campaign prior to the census indicates the importance of the census and how the community is expected to cooperate to ensure its success.

18.20 Public figures are recruited to lend their support to the Census. In 1996, Census day was the day after the closing of the Atlanta Olympic Games. The opportunity was taken to have the anchorman of the Olympic telecast make a brief statement supporting the census each evening.

Processing of Census Forms

18.21 A special Census Data Processing Centre is set up each census with the specific task of processing the completed census forms as quickly as possible and thereby achieving the timely release of results.

18.22 Completed census forms are examined for completeness and consistency. Write-in responses on family, qualification and occupation are coded to the appropriate classification categories.

18.23 In the case of partial non-response, imputation is undertaken for sex, age, geographic area of usual residence and marital status in accordance with predefined algorithms. The remaining data items are set to 'not stated' unless other information exists which allows the determination of Aboriginal/Torres Strait Islander origin and Labour Force Status.

Quality Control

18.24 As with other statistical collections, the ABS is concerned to see that high quality data are obtained from the census. To this end, extensive effort is put into the form design, collection procedures, public awareness campaign and accurate processing of the information collected.

FIELD TESTING

18.25 The method employed to obtain information in the census involves 'self-enumeration' in which each household is asked to complete the census form with relatively little assistance from the census collector. To make sure that this approach is successful, a series of tests³ is conducted before each census to gauge public reaction to the form and the questions it contains.

PUBLIC AWARENESS

18.26 As well as making sure that the right questions are asked, it is essential for the achievement of quality census data that everyone understands the importance of being counted and of giving the right answers in the census. A crucial factor in this respect is the public awareness campaign, discussed above in paragraph 18.19.

³ For further information see paragraph 18.17 above.

QUALITY ASSURANCE

18.27 Once the forms are in the Census Data Processing Centre, quality assurance procedures are implemented at all phases of processing to maximise the accurate recording of information collected and to eliminate as far as possible any inconsistencies in coding responses. Coding procedures, indexes, processing systems and training of staff are the key areas where changes can lead to improved data quality during processing.

RESIDUAL ERRORS

18.28 The census, like all statistical collections, is subject to a number of sources of non-sampling error⁴. However, testing has indicated that the effect of these errors is generally slight, although it could be more significant for analyses of data for small groups, or for very detailed cross classifications.

18.29 The four most significant sources of non-sampling error for the census are: undercounting; partial response; respondent error; and processing error. These are discussed further below.

Undercounting

18.30 Despite efforts to obtain full coverage of people and dwellings, it is inevitable that a small number of people will be missed and some will be counted more than once. In Australia more people are missed from the census than are counted more than once. The net effect when both factors are taken into account is referred to as undercounting.

18.31 As well as affecting the total population counts, undercounting can bias other census statistics because the characteristics of missed people are different from those of counted people. In Australia, rates of undercounting vary significantly for different population groups depending on factors such as age, sex and geographic area. A measure of the extent of undercoverage is obtained from a sample survey of households undertaken shortly after the census, called the Post Enumeration Survey. Undercounting of people in the 1996 Census was estimated to be 1.6% for Australia as a whole.

Partial response

18.32 People who are counted in the census do not necessarily answer all the questions which apply to them. While questions of a sensitive nature are generally excluded from the census, all topics have an element of non-response. However, this element can be measured and is generally low. In those instances where a response is not provided, a 'not stated' code is allocated, with the exception of non-response to age, sex, marital status and the statistical local area of usual residence. As these data are used in population estimates, these variables are imputed, using other information reported on the census form and specially constructed random tables based on the distribution of the population according to these variables at the previous census.

⁴ The Census of Population and Housing, like other types of fully enumerated collections, is not subject to sampling error — see Chapter 16 for further information.

Respondent error

18.33 Most occurrences of respondent error are detected and corrected during editing. However, such procedures cannot detect and correct all errors, and some remain in the final output.

Processing error

18.34 Errors created during the processing of the census are kept at an acceptable level by means of quality assurance procedures. These involve sample checking during coding operations, and taking corrective action where necessary.

EVALUATING THE OUTCOME

18.35 After the census, an evaluation of the data is carried out to inform users about their quality, and to help plan the next census. Evaluation includes investigation into the effects of partial response, consistency checks between related questions, and comparisons with data from other sources. Much of the information gathered about the quality of census data is distributed in the form of commentary contained in census products or in published working papers reporting on the evaluation of census data quality.

INTRODUCED RANDOM ADJUSTMENTS

18.36 Minor adjustments are made to the information to allow the maximum detailed census data possible to be released without breaching the confidentiality of data reported by individual respondents. For this reason, great care should be taken when interpreting data in small cells, since possible respondent and processing errors have a greater proportional impact on them than on larger cells.

RELIABILITY OF THE ESTIMATES

18.37 Estimates from the census are subject to non-sampling error. For further information see paragraph 18.29 above.

DATA COMPARABILITY OVER TIME

18.38 In order to provide a high degree of consistency and comparability over time, changes are made as infrequently as possible to collection methods, collection concepts, data item definitions, frequency of collection, and analysis methods.

18.39 Table 18.1 shows the major changes to the labour-related data items in the census over its history.

18.1 MAJOR CHANGES TO LABOUR-RELATED DATA ITEMS IN THE CENSUS OF POPULATION AND HOUSING

CENSUS	EVENT
1911	Census was established by the Census and Statistics Act 1905, and conducted in April. Labour-related items included: labour force status; unemployment duration; occupation; and industry.
1921	Census was conducted in April. Labour-related data item added: cause of unemployment.
1933	Census was delayed as a result of the economic depression, and moved to June. Labour-related items collected in the 1933 Census were the same as those collected in the 1921 Census.
1947	Census was delayed as a result of World War II, and conducted in June. Labour-related items collected in the 1947 Census were the same as those collected in the 1933 Census.
1954	Census conducted in June. Labour-related data item changes: industry — place of work also asked.
1961	Census conducted in June, and the frequency increased to five-yearly intervals. Labour-related data items collected in the 1961 Census were the same as those collected in the 1954 Census.
1966	Census conducted in June. Labour-related data items added: hours worked. Labour-related data items dropped: unemployment duration and cause of unemployment. Data released on microfiche for the first time.
1971	Census conducted in June. Labour-related data items added: journey to work — collected by coding address of usual residence and address of workplace to obtain origins and destinations of travel to work. Labour-related data item changes: hours worked — question focused on hours worked in all jobs held in the week prior to the census. ASIC introduced for industry coding.
1976	Census conducted in June. Labour-related data items added: mode of travel to work.
1977	Census and Statistics Act amended to require censuses at five-yearly intervals 'and at such other times as prescribed.'
1981	Census conducted in June. Labour-related data items changed: labour force status — since 1981 respondents are required to answer a series of questions from which labour force status is coded; hours worked in main job — replaced hours worked in all jobs.
1986	Census conducted in June. Labour-related data item changes: occupation — an additional question on main tasks or duties performed in the job has been asked since 1986
1991	Census moved to early August after all mainland States changed from three school terms to four school terms, with holidays around the end of June. Labour-related data items the same as in 1986.
1996	Census conducted in August. Labour-related data items added: availability to start work — to achieve comparability with Labour Force Survey definition of unemployment. Labour-related data item changes: hours worked in all jobs — replaced hours worked in main job. Two stage release approach introduced, with users gaining access to a wide range of first release Census data within 12 months, and the second release data released progressively from that time.
2001	Census conducted in August. Two stage release approach expanded, with more data items available as part of the first release. Introduction of intelligent character recognition, automatic coding and the use of images rather than paper forms during processing. Option to have personal details retained and made publicly available after 99 years.

FURTHER INFORMATION

18.40 For further details, contact the Assistant Director, Population Census Development and Evaluation, on Canberra (02) 6252 5942.

CHAPTER 19

LABOUR FORCE SURVEY

INTRODUCTION

19.1 The ABS has conducted the Labour Force Survey since 1960. The survey was undertaken on a quarterly basis before February 1978 and has been conducted monthly since then. The design of the survey has remained broadly the same since its introduction, but is regularly updated to ensure that it is the most appropriate for the provision of accurate labour force statistics.

19.2 The purpose of the Labour Force Survey is to provide timely information on the labour market activity of the usually resident civilian population of Australia aged 15 and over. The statistics of most interest each month are the estimates of the number of employed and unemployed people, the unemployment rate and the labour force participation rate. The rate of change in the number of persons employed is a key indicator of the pace of economic growth. The unemployment rate (the percentage of the labour force which is unemployed) is the main measure of unutilised labour, and the participation rate (the percentage of the population in the labour force) reflects changes in total labour availability.

SURVEY OUTPUT

19.3 Data are compiled according to concepts and definitions outlined in Chapters 2–7. Estimates are published monthly, initially in *Labour Force, Australia, Preliminary* (Cat. no. 6202.0) and later in the more detailed publication *Labour Force, Australia* (Cat. no. 6203.0). More detailed estimates are available on request.

19.4 Seasonally adjusted and trend (smoothed seasonally adjusted) data are available for selected series (labour force status, industry of employment, and long term unemployed). See Chapter 16 for further explanation of these terms.

19.5 The survey output includes:

Socio-demographic information

Sex, age, marital status, relationship in household, family, geographic regional, participation in school and tertiary education, birthplace and year of arrival in Australia.

Persons in the labour force

Labour force status, unemployment rate, participation rate and gross changes (flows) in labour force status

Persons employed

Status in employment in main job, full-time or part-time status, hours worked in all jobs, job tenure, underemployment, usual hours, hours in main job, preference for working more hours, reason for working less than 35 hours in the reference week, and occupation and industry in main job. Data on occupation, industry, status in employment, and underemployment, are collected in the months February, May, August and November only.

Persons unemployed

Whether looking for full-time or part-time work, reason for ceasing last job, industry and occupation of last job, duration of unemployment, active steps taken to find work, and whether looking for first job.

Persons not in the labour force

Whether looking for work (actively, not actively); marginal attachment to the labour force; permanently unable to work; in institutions.

SCOPE

19.6 The Labour Force Survey includes all usual residents of Australia¹ aged 15 and over except:

- members of the permanent defence forces;
- certain diplomatic personnel of overseas governments, customarily excluded from census and estimated population counts;
- overseas residents in Australia; and
- members of non-Australian defence forces (and their dependants) stationed in Australia.

19.7 Coverage rules are applied to ensure that each person is associated with only one dwelling, and hence has only one chance of selection. The chance of a person being enumerated at two separate dwellings in the one survey is considered to be negligible. Persons who are away from their usual residence for six weeks or less at the time of interview are enumerated at their usual residence (relevant information may be obtained from other usual residents present at the time of the survey).

SURVEY METHODOLOGY

19.8 Labour Force Survey information is obtained by specially trained interviewers, using face to face and telephone interview collection methods, from the occupants of selected dwellings. Interviews are generally conducted during the two weeks beginning on the Monday between the 6th and the 12th of each month. Most information obtained relates to the week before the interview (i.e. the reference week). Selected dwellings remain in the survey for eight consecutive months.

19.9 Prior to August 1996, all interviews were conducted by face to face interview at selected dwellings. Over the period August 1996 to February 1997, the ABS introduced telephone interviewing. The first interview is conducted in person (face to face). Subsequent interviews are then conducted by telephone, provided that this is acceptable to the respondent. Telephone interviewing has been shown to provide data of a quality comparable to that obtained from personal interviews, but requires less interviewer travel time, and hence lowers the costs of the survey.

From July 1993, Jervis Bay Territory has been excluded from the scope of the Labour Force Survey.

SURVEY METHODOLOGY
continued

19.10 Information about each household member in scope of the Labour Force Survey is generally collected from one adult using the ARA methodology (described in Chapter 16).

19.11 Other collection methods are used in special circumstances. A self-enumeration form may be used where it is not possible for an interview to take place — for instance, where contact cannot be made with the occupants of selected dwellings or when a respondent refuses to be interviewed but will complete a form. A customised form is also used for Indigenous people living in sparsely settled and Indigenous strata when interviewers encounter significant cultural and language difficulties, or when other operational difficulties occur such as the availability of suitably trained and skilled interviewers.

19.12 Interviewer workloads are completed and returned for processing according to a strict timetable. Interviewers are required to make a number of attempts to contact a household before recording a non-contact (non-response). Response rates average around 96%.

SAMPLE DESIGN

19.13 A multi-stage probability sample design is used. The sample is drawn from the Population Survey Master Sample and includes both special and private dwellings. The final-stage selection unit is the dwelling. See Chapter 17 for further information. After each Population Census the sample is redesigned and the sampling fractions reset.

Sample Size and Allocation

19.14 The Labour Force Survey is designed to provide reliable estimates of the key labour force statistics for both the whole of Australia and each State and Territory. Its design also yields estimates for a number of broad regions within States.

19.15 From February 1964 until February 1972 all households in Australia had the same probability of selection in the Labour Force Survey (1 in 100), regardless of State or Territory. From May 1972, different sampling fractions applied for each State/Territory. The sampling fractions for the Labour Force Survey set at each post-Census redesign are shown in Table 19.1 below. Additional information about the method and timing of the introduction of each sample redesign is provided in paragraph 19.32 below.

19.1 LABOUR FORCE SURVEY SAMPLE — REDESIGN HISTORY

	1971 redesign	1976 redesign	1981 redesign	1986 redesign	1991 redesign	1996 redesign
New South Wales	1 in 200	1 in 200	1 in 200	1 in 230	1 in 277	1 in 300
Victoria	1 in 200	1 in 200	1 in 200	1 in 230	1 in 242	1 in 252
Queensland	1 in 140	1 in 140	1 in 140	1 in 160	1 in 195	1 in 222
South Australia	1 in 100	1 in 100	1 in 100	1 in 115	1 in 139	1 in 147
Western Australia	1 in 90	1 in 90	1 in 100	1 in 115	1 in 146	1 in 160
Tasmania	1 in 60	1 in 60	1 in 60	1 in 70	1 in 75	1 in 83
Northern Territory	1 in 100	1 in 100	1 in 100	1 in 115	1 in 75	1 in 85
Australian Capital Territory	1 in 200	1 in 100	1 in 100	1 in 115	1 in 75	1 in 85

19.16 Following the full implementation of the 1996 sample redesign (April 1998), the sampling fractions yielded an approximate sample size of 29,000 private dwellings and 500 special dwellings. This resulted in approximately 61,500 people responding to the survey.

Sample Rotation

19.17 Control of provider load is a concern in all frequently repeated surveys. Since the monthly Labour Force Survey commenced in 1978, one-eighth of the private dwelling sample has been replaced each month. The sample can be thought of as consisting of eight sub-samples (or rotation groups), with each sub-sample remaining in the survey for eight months. A new rotation group is introduced each month to replace an outgoing rotation group. This replacement sample generally comes from the same geographic area as the outgoing one. This results in a seven-eighths common dwelling sample between consecutive surveys, which guarantees a high month-to-month correlation between estimates and contributes to the accuracy of month-to-month estimates of movement.

Sample Reselection

19.18 The Labour Force Survey sample is reselected every five years to coincide with the reselection of the Household Survey Master Sample after each Census of Population and Housing.

ESTIMATION

19.19 Post-stratification estimation is used, based on independent population benchmarks at the post-stratum cell level (see Chapter 17 for more information on population benchmarks). Adjustments are also made to account for persons enumerated outside of their State or Territory of usual residence.

19.20 The post-stratification variables used in estimation are:

- State/Territory of usual residence;
- part of State of usual residence — (capital city, rest of State);
- age — ages 15–24 as single years, 5 year age groups to age 69, one group for age 70 and over; and
- sex.

Time Series Estimates

19.21 Both seasonally adjusted and trend estimates are produced for key series from this survey.

SEASONAL ADJUSTMENT

19.22 Selected monthly series have been seasonally adjusted from February 1978. These and earlier quarterly historical series (from August 1966) can be made available on request. The seasonal factors are reviewed annually to take account of each additional year's original data. The review takes place in time for the results to be incorporated in each February issue of *Labour Force, Australia, Preliminary* (Cat. no. 6202.0).

TREND ESTIMATES

19.23 Trend estimates are available for selected series dating back to February 1978. Trend estimates are produced by using a centred 13-term Henderson moving average of the seasonally adjusted series for monthly estimates, and a centred 7-term Henderson moving average for quarterly estimates (e.g. employment by industry).

19.24 Revisions of trend estimates occur as data become available for the most recent time periods. There are also revisions resulting from the annual review of seasonal factors (discussed above).

Estimates of Gross Flows

19.25 Because a high proportion of the private dwellings selected in a survey remains in the sample for the following survey, it is possible to match the characteristics of most of the persons in those dwellings from one month to the next. This makes it possible to record any changes that occur, and hence to produce estimates of 'gross flows' — the number of people who change labour force status between successive months.

19.26 The procedures used to select persons in special dwellings preclude the possibility of matching such people who may be included in successive surveys. Also, the mobility of the population and non-response in either or both surveys means that a proportion of persons in private dwellings who are included in the sample in successive months cannot be matched. Overall, those who can be matched represent about 80% of all persons in the survey. About two-thirds of the remaining (unmatched) 20% of persons in the survey are likely to have characteristics similar to those in the matched group, but the characteristics of the other third are likely to be somewhat different.

19.27 Gross flow estimates relate only to those persons in private dwellings for whom information was obtained in successive surveys. The expansion factors used in calculating the estimates are those applying to the second of each pair of months. The estimates are not adjusted to account for the unmatched sample component.

19.28 Although it is not possible to provide gross flow estimates for all persons in the survey, it is considered that the estimates derived from matched records will be a useful guide to the proportion of the movements between categories which underlie the changes in monthly levels. When comparing flows for different periods it is important to take into account the population represented by the matched sample.

Estimates of Gross Flows
continued

19.29 While every effort is made to reduce non-sampling errors to a minimum, any such errors affecting labour force status will tend to accumulate in the gross flow statistics rather than to cancel out. The estimates are also subject to sampling variability. For these reasons the estimates of flows should be used with caution.

RELIABILITY OF THE
ESTIMATES

19.30 Estimates from the survey are subject to both sampling and non-sampling error. The relative standard errors of survey estimates are published in both *Labour Force, Australia, Preliminary* (Cat. no. 6202.0) and in *Labour Force, Australia* (Cat. no. 6203.0).

19.31 The split halves variance estimator, with a Taylor series adjustment for the post-stratified estimate, is used to calculate estimates of variance for this survey.

DATA COMPARABILITY OVER
TIME

19.32 While seeking to provide a high degree of consistency and comparability over time by minimising changes to the survey, it is nevertheless the case that frequency of collection, collection and sampling methods, concepts, data item definitions, classifications, and time series analysis techniques, are all subject to change or development.

19.33 Some survey features are reviewed regularly, while others are changed as the need arises. Despite the overriding need for long-term comparability, sound survey practice requires careful and continuing maintenance and development to maintain the integrity of the data and the efficiency of the collection.

19.34 While Labour Force Survey publications in various forms exist for a period of over 30 years and provide documentation of changes in survey practice over that time, individual historical publications are not necessarily the best source for extraction of comparable historical data series. Apart from the annual revision of seasonally adjusted and trend series, and the five yearly population benchmark revisions of original, seasonally adjusted and trend series, from time to time other revisions are made to maintain comparability after changes to questions and definitions.

19.35 The primary sources for labour force series adjusted to the most current comparable basis are:

- AusStats;
- *Labour Force Australia, Historical Summary 1966–1984* (Cat. no. 6204.0) (for quarterly series from August 1966 to November 1977);
- *The Labour Force 1964 to 1968 Historical Supplement* (Reference no. 6.22) (February 1964 to May 1966 data, original); and
- *The Labour Force 1977* (Cat. no. 6204.0) for the last release of seasonally adjusted series for February 1964 to May 1966.

19.36 Table 19.2 shows the major events and changes to the survey over its history.

19.2 MAJOR CHANGES TO THE LABOUR FORCE SURVEY

SURVEY	EVENT
Nov 1960	Quarterly survey commenced. State Capital cities only, including persons aged 14 and over, but excluding the Aboriginal and Torres Strait Islander population. Sample of 1% of households Australia wide, with 1/8 rotation in private dwellings and 1/4 rotation in other dwellings.
Nov 1963	First release of State Capital city series, November 1960–November 1963 <i>Employment and Unemployment, October 1963</i> (Ref. no. 6.4) issued February 1964. Estimates and population benchmarks based on 1961 Census data. Labour force definitions based on ICLS 1954.
Feb 1964	Quarterly national survey commenced. Capital city series continue in absence of release of national series. Capital city estimates and population benchmarks based on 1961 Census data.
Aug 1966	Scope of survey population reduced to persons aged 15 and over, due to changes in the school leaving age and to conform with definitions used in the 1966 Population Census. Indigenous population included: see February 1969 revision. Additional questions introduced on steps taken to find a job. The grouping of hours worked changed to reflect recommendations from ICLS 1961. Occupation classified according to Classification and Classified List of Occupations (CCLO) 1966 Census edition. Industry classified according to Classification and Classified List of Industries (CCLI) 1966 Census edition and 1966 Group Employer Place of Work index.
Aug 1967	Additional questions introduced to better identify employees of incorporated enterprises (some of whom had previously been incorrectly classified as employers or self-employed).
Feb 1969	First release of national series in the quarterly publication <i>The Labour Force, Preliminary Estimates, August 1966–February 1969</i> (Ref. no. 6.20). Subsequent publications titled <i>The Labour Force</i> (Ref. no. 6.20). Estimates and population benchmarks from February 1964 based on 1966 Census data, State of enumeration/place of usual residence basis from February 64 onwards, including Indigenous population from August 1966 onwards.
May 1970	First release of national seasonally adjusted series.
Jul 1970	Annual issue of <i>The Labour Force, Historical Supplement 1964–1968</i> (Ref. no. 6.22) commenced, subsequent publications titled <i>The Labour Force</i> (Ref. no. 6.22).
Aug 1971	Classification of trainee teachers changed from 'employed' to 'not in the labour force', in conformity with 1971 Census practice and international recommendations regarding activity principles. For the period August 1971 to August 1972, industry responses coded to both CCLI and ASIC, leading to full adoption of industry classified according to 1971 Census ASIC (August 1969 Preliminary edition) and 1971 Census Industry/Destination zone employer index from November 1972, and conversion of August 1966–May 1971 industry series to ASIC.
Nov 1971	Occupation classified according to CCLO 1971 edition, replacing CCLO 1966 version.
Feb 1972	Questions on country of birth and year of arrival in Australia added. February 1972 data published as supplementary survey results and then quarterly in <i>The Labour Force</i> (Ref. no. 6.20) from May 1972 onwards.
May 1972	Sample redesign based on 1971 Population Census, phased in from May 1972 to November 1972. Introduction of different sampling fractions across States and Territories, with overall fraction reduced from 1% to 0.67%.
Nov 1972	First release of preliminary labour force estimates in the quarterly publication <i>The Labour Force</i> (Preliminary) (Ref. no. 6.32), issued in May 1973. See August 1971 note re industry coding.
Nov 1973	Seasonal adjustment of estimates for unemployed males, females and persons by separate adjustment of unemployed series by sex (males, females) by age (15–19 years, 20 years and over). Previously, estimates were obtained by a (single) direct adjustment to the total estimate. Seasonally adjusted unemployment estimates February 1964–August 1973 revised. For final publication of February 1964–May 1966 seasonally adjusted series (1966-based, excluding Indigenous population) see <i>The Labour Force, 1977</i> (Cat. no. 6204.0).

19.2 MAJOR CHANGES TO THE LABOUR FORCE SURVEY *continued*

SURVEY	EVENT
Nov 1974	<p>First collection of Relationship in household data. <i>Labour Force Status and Other Characteristics of Families</i> (Cat. no. 6224.0) first published as an irregular. See also <i>Labour Force, Australia</i> (Cat. no. 6203.0) various issues e.g. May 1977, July 1980.</p> <p>First release of preliminary unemployment estimates in the quarterly publication <i>Unemployment, Preliminary Estimates</i> (Ref. no. 6.31), issued in December 1974.</p> <p>Relationship in household (and hence families) estimates excluded persons in institutions. 'Family status' imputed for persons in private households where any member was out of scope, absent for 6 weeks or more at survey, or who were a visitor.</p> <p>Families estimates based on proxy (household head) weight.</p>
Feb 1975	<p>Estimates excluded Darwin (due to effects of cyclone Tracy).</p> <p>Respondents asked if they looked for work in the last four weeks (previously looked for work last week). Availability question added.</p> <p>Unemployment series and definition continued on old basis, with separate publication of new question results until February 1976. Unemployment definition and series based on new questions adopted from May 1976.</p>
May 1975	<p>Estimates and population benchmarks based on 1971 Census benchmarks. Revisions to August 1966–November 1972 principal series, and from February 1973 onwards, full revision of all estimates and series (including annual seasonal factor re-analysis).</p>
May 1976	<p>Following February 1975 question changes, definition of unemployment revised to incorporate active job search, and availability to start work in the reference week (with separate provision for temporary illness and future starters). Series revised from February 1975.</p>
Aug 1977	<p>Catalogue numbers replaced reference numbers — Cat. no. 6202.0 replaced Ref. no. 6.32 and Cat. no. 6203.0 replaced Ref. no. 6.20.</p>
Nov 1977	<p>In preparation for the start of monthly surveys in February 1978 (with a new questionnaire, revised 1976 Census based sample and 1976 based population benchmarks), two surveys were conducted simultaneously in November 1977.</p> <p>Of these two surveys, one provided the published November 1977 results, based on the old questionnaire, the old 1971-based sample design (reduced to 0.5%), and the 1971-based population benchmarks. The other survey, based on the new questionnaire and the new, 1976-based sample, was used to prepare adjustment factors and revisions to historical estimates, so that comparable historical series could be published with the first release of February 1978 survey results.</p> <p>Occupation classified according to CLO 1976 edition, replacing CLO 1971 version.</p> <p>Industry classified according to ASIC 1969 edition and Integrated Business Register employer index.</p> <p>Catalogue numbers replaced reference numbers — Cat. no. 6201.0 replaced Ref. no. 6.35.</p>
Feb 1978	<p>Monthly national survey commenced. The Labour Force Survey adopted as the official national measure of unemployment. Interviews conducted over 2 one-week periods, previously 4 one-week periods.</p> <p>Estimates and benchmarks based on 1976 Census data, with series from August 1971 onwards revised to 1976-based benchmarks. Complex mix of reweighting unit record files, and/or key series adjustment: not all files, nor all series, were revised (see <i>Labour Force Australia, Historical Summary 1966–1984</i> (Cat. no. 6204.0) Appendix 1).</p> <p>With full implementation of the 1976 Census based sample design, 1/8 monthly sample rotation introduced for non-private dwellings: whole sample now subject to 1/8 rotation.</p> <p>New questionnaire, with substantial redesign of question wording, structure and sequence to improve data quality collected on 0.5% sample, new design. Changes included separate questions on looking for full-time/looking for part-time job; active search more clearly identified, availability and future starters better identified. Some impact on employed, main impact on unemployed seeking part-time work.</p> <p>New definitions of employment and unemployment adopted. Definition of Unemployed persons looking for first job was revised to "unemployed persons who had never worked full time for two weeks or more". Prior to November 1977 the definition was "unemployed persons who had never had a job".</p> <p>August 1966–November 1977 series revised to comparable basis, as a result of new questionnaire introduction. Seasonally adjusted series continued on a quarterly basis, pending accumulation of sufficient results to permit adjustment of monthly series.</p>
Jul 1979	<p>Annual issue of <i>Labour Force Status and Other Characteristics of Families</i> (Cat. no. 6224.0) commenced (July each year except June 1981, then June each year 1986 onwards).</p>
Nov 1979	<p>Industry classified according to ASIC 1978 edition, replacing ASIC 1969 edition.</p>
Aug 1981	<p>Occupation classified according to CLO November 1980 edition, replacing CLO 1976 version.</p>

19.2 MAJOR CHANGES TO THE LABOUR FORCE SURVEY *continued*

SURVEY	EVENT
Nov 1981	Minor rewording and re-ordering of categories of steps taken to look for work. No impact on data or definitions.
Feb 1982	Seasonally adjusted series introduced for monthly estimates series from February 1978 onwards. Annual seasonal factor re-analysis and series revision carried out at February each year from this survey.
Oct 1982	Full sample flipped-over to sample redesign based on 1981 Population Census including modifications to enable production of regional estimates within States, and estimates by State of usual residence. Additional questions to identify usual residence and family relationship, with marital status questions reworded and de facto relationships coded as married. Additional identification of persons usually working less than 35 hours per week. 1981 ASGC based Labour Force Statistical Regions classification.
Dec 1982	Monthly publication <i>Unemployment, Preliminary</i> (Cat. no. 6101.0) discontinued, final release issued in January 1983.
Jul 1983	Scope for 'Family status' (and hence families estimates) restricted to usual residents of private dwellings where all usual residents were within the survey scope and present (in on coverage) at survey date. 'Family status' and families estimates thus exclude all persons in non-private dwellings, persons visiting private dwellings, or households where any member was out of scope or absent for 6 weeks or more at survey.
Feb 1984	Estimates and population benchmarks based on 1981 Census data. Estimates for the period October 1982 onwards revised to full State of usual residence basis on 1981 Census benchmarks. Estimates from February 1978 to September 1982 revised to 1981-based benchmarks but remain on the previous State of enumeration/place of usual residence basis.
Sept 1984	Monthly publication of Relationship in household and Families estimates in <i>Labour Force, Australia</i> (Cat. no. 6203.0) commences. Scope and estimation as for annual collection.
Nov 1984	Industry classified according to ASIC 1983 edition, replacing ASIC 1978 edition.
Apr 1986	Definition of employed persons altered, to include persons working 1 to 14 hours without pay in a family business or farm, in line with ILO definitions (ICLS 1982). Minor question wording and sequence changes in consequence. Significant break in series for employed, employed part-time, unemployed and related unemployment rates. Dependants definition, and the Family status item 'full-time student', includes full-time students aged 15–24 (previously aged 15–20). Weighting of families estimates changed, from proxy (household head) weight to harmonic mean of weights of all responding members of the family.
Aug 1986	Australian Standard Classification of Occupations (ASCO) introduced for classification of occupation of persons, replacing CLO 1981.
Sept 1987 to Dec 1987	Sample redesign based on the 1986 Population Census. New sample phased in. Overall sample fraction 0.6%. 1986 ASGC based Labour Force Statistical Regions classification.
Nov 1988	Additional unemployment variable introduced: reason for ceasing last job (job losers/job leavers). No change in definition nor break in series.
Feb 1989	Estimates and population benchmarks based on 1986 Census data. All estimates for the period January 1984 onwards revised.
June 1989	'Family type' class 'Other families' split into 'One parent families' and 'Other families'.
Nov 1989	Optical Mark Recognition questionnaire design and data capture method introduced.
Sept 1992 to Dec 1992	Sample redesign based on the 1991 Population Census. New sample phased in. Overall fraction 0.5%. 1991 ASGC based Labour Force Statistical Regions classification.
Feb 1993	Introduction of seasonally adjusted and trend series for Employed persons by Industry of main job (at Industry Division level).
Jul 1993	Jervis Bay Territory excluded from the scope of the survey. Prior to this time it was included in estimates for the Australian Capital Territory.

19.2 MAJOR CHANGES TO THE LABOUR FORCE SURVEY *continued*

SURVEY	EVENT
Feb 1994	Estimates and population benchmarks based on 1991 Census data. All estimates for the period January 1989 onwards revised. Status in employment class titles amended to reflect ICLS ICSE-93.
Mar 1994	'Relationship in household' and 'Family type' classifications aligned with ABS standards, resulting in some breaks in comparability with previous Family status and family type classifications.
Aug 1994	Australian and New Zealand Standard Industrial Classification (ANZSIC) introduced in place of ASIC 1983 edition. Revised historical estimates published of employment by ANZSIC group August 1984 onwards.
Aug 1995	Seasonally adjusted and trend estimates of long-term unemployment published for the first time.
Aug 1996 to Feb 1997	Telephone interviewing implemented progressively. Initial impact on data dissipated by end of implementation period.
Aug 1996	Occupation coded using Australian Standard Classification of Occupations (ASCO) Second Edition replacing the first edition of ASCO.
Sept 1997 to Apr 1998	Sample redesign phased in based on the 1996 Population Census. Overall fraction 0.5%. 1996 ASGC based Labour Force Statistical Regions classification.
Feb 1999	Estimates and population benchmarks based on 1996 Census data. All estimates for the period January 1995 onwards revised.
Feb 2000	Computer assisted coding introduced for industry and occupation in place of manual coding and reference to the ABS Business Register. Derivation of status in employment changed to remove reference to the ABS Business Register for limited liability information. Breaks in series for Status in employment, Industry and Occupation series.
Mar 2000 to Jul 2000	One rotation group each month enumerated by new questionnaire for evaluation purposes. Data converted to existing definitions at estimation stage.
Sept 2000	NSW enumeration one week early to allow for Olympic Games.
Apr 2001	New questionnaire implemented. New or extended data on: job tenure; underemployment; hours worked; duration of unemployment; and marginal attachment to the labour force. Minor definitional changes to employment and unemployment relating to: short term absences; unavailability due to illness; and contributing family workers (ICLS 1982, ICSE-93, ICLS 1998).
Aug 2001	Enumeration one week later than usual to avoid overlap with population census.

FURTHER INFORMATION

19.37 For further details contact the Assistant Director, Labour Force Survey, on Canberra (02) 6252 6565.

CHAPTER 20

LABOUR FORCE SUPPLEMENTARY SURVEYS

INTRODUCTION

20.0.1 A supplementary topic was included with the Labour Force Survey for the first time in November 1961, and this concept has been gradually extended so that now the majority of months in each year include supplementary questions on one or more topics.

20.0.2 Each Labour Force Supplementary Survey comprises a series of additional questions asked at the end of each Labour Force Survey interview. The survey methodology does not differ greatly among the supplementary surveys, and in many aspects is the same as the Labour Force Survey methodology (outlined in Chapter 19). Paragraphs 20.0.1 to 20.0.22 of Chapter 20 (below) describe the broad survey methodology of the supplementary surveys. They should be used in conjunction with Sections 1 to 16, which outline elements of the methodology which are unique to each supplementary survey.

Objectives of the Labour Force Supplementary Surveys

20.0.3 The Labour Force Supplementary Surveys form an important component of the ABS's household surveys program, which aims:

- to provide a range of statistics required to monitor the social and economic wellbeing of Australians with particular reference to important sub-groups of the population; and
- to support the development, implementation and evaluation of policies and programs of key Commonwealth and State government agencies.

20.0.4 The information requirements of ABS household surveys are determined on the basis of submissions from users on their needs for and uses of household survey data. They also reflect ABS deliberations on what is required of a national statistics program in the various subject fields, based on user contact and consultation.

20.0.5 In the field of labour statistics, supplementary surveys provide detailed information on a range of labour topics and interest groups such as:

- labour force — labour force experience;
- employment — underemployment; multiple job holding; forms of employment; labour turnover; work-related injuries; and locations of work;
- employees — earnings; trade union membership; benefits; and working arrangements;
- unemployment — job search experience; successful and unsuccessful job search;
- persons not in the labour force — discouraged job seekers; other persons with marginal attachment to the labour force;
- retirement and retirement intentions; and
- persons retrenched or made redundant from work.

Objectives of the Labour Force Supplementary Surveys <i>continued</i>	20.0.6 Many labour topics are covered on a regular basis, while others are only covered once or at irregular intervals to meet a specific need for information. Topics are usually run nationally. However, one month is set aside each year for State government proposed topics, specific to one or more States. The program also includes other social and economic topics not relating to labour statistics, such as the environment, crime and safety, and child care.
SURVEY OUTPUT	20.0.7 Estimates from each supplementary survey are released in separate publications. More detailed estimates are available on request. Confidentialised Unit Record Files are sometimes also produced.
SCOPE	<p>20.0.8 In addition to those already excluded from the Labour Force Survey, the following persons are excluded from most supplementary surveys (see paragraphs 17.2 to 17.4 of Chapter 17 for further information):</p> <ul style="list-style-type: none"> ■ persons living in private dwellings in remote and sparsely settled parts of Australia; ■ institutionalised persons; and ■ boarding school pupils. <p>20.0.9 Depending on the topic or population of interest for which information is being collected, there may be further exclusions from scope. For example, some supplementary surveys exclude all persons living in special dwellings; others collect information only from a certain population or interest group (e.g. information on retirement is collected from persons aged 45 years or over).</p>
COLLECTION METHODOLOGY	<p>20.0.10 The collection methodology for the supplementary surveys is generally the same as for the Labour Force Survey. Interviews are conducted at the same time as interviews for the Labour Force Survey. Most interviews (about 70%) are conducted by telephone, with the remainder conducted face-to-face.</p> <p>20.0.11 Information about each household member in scope of the supplementary survey is generally collected from one adult using the ARA methodology.</p> <p>20.0.12 Response rates for the supplementary surveys are slightly lower than for the Labour Force Survey, and average around 93%.</p>
SAMPLE DESIGN	<p>20.0.13 The supplementary surveys use the same sample design as the Labour Force Survey, and the sample used in the supplementary surveys is a subset of the Labour Force Survey sample. Persons in the outgoing rotation group in the Labour Force Survey are excluded from all supplementary surveys.</p> <p>20.0.14 The sample size for the supplementary surveys varies. In addition to the scope exclusions listed above, there may be further restrictions to the supplementary survey sample for particular topics.</p>

ESTIMATION METHODS

20.0.15 Post-stratification estimation techniques are generally used, with adjustment to account for persons enumerated outside their State of usual residence.

20.0.16 Supplementary survey weights use labour force estimates, referred to in this context as pseudo-benchmarks, to supplement independent demographic benchmarks (see Chapter 17 for further information on population benchmarks used in household surveys). Supplementary surveys may also incorporate other auxiliary information on target populations — for instance benchmarks for the Indigenous population, or the private dwelling population — into estimates.

20.0.17 The post-stratification variables generally used are:

- State/Territory of usual residence;
- part of State of usual residence (capital city, rest of State);
- labour force status;
- sex; and
- age (age groupings generally correspond with those used in post-stratification for the Labour Force Survey).

Time Series Estimates

20.0.18 Seasonally adjusted and trend estimates are not produced for supplementary surveys.

RELIABILITY OF THE ESTIMATES

20.0.19 Estimates from supplementary surveys are subject to both sampling and non-sampling error (see Chapter 16 for more detail). The relative standard errors of survey estimates are published in each supplementary survey publication.

20.0.20 A 'split-halves' variance estimator, with a Taylor series adjustment for the post-stratified estimate, is used to calculate estimates of variance (see Chapter 16 for more detail).

DATA COMPARABILITY OVER TIME

20.0.21 Estimates from successive supplementary surveys on a given topic may not be strictly comparable over time due to changes in survey scope and concepts measured. In addition, changes affecting the Labour Force Survey sample and estimation processes will affect supplementary survey estimates. For further discussion of changes to a particular labour topic see Sections 1 to 16 of this chapter.

FURTHER INFORMATION

20.0.22 For further details contact the Assistant Director, Monthly and Multi-purpose Population Surveys Section, on Canberra (02) 6252 6660.

CHAPTER 20.1

CAREER EXPERIENCE

INTRODUCTION

20.1.1 This survey provides detailed information on the career experience of employees, and has been conducted on an irregular basis since 1993. Data collected in the survey are used in the formulation and monitoring of policy relating to workplace flexibility, barriers to career development, and workers with family responsibilities.

20.1.2 This section describes only those aspects of the methodology that are unique to this survey, and hence, should be used in conjunction with the overview part of this chapter, which outlines the survey methodology used in supplementary surveys.

SURVEY OUTPUT

20.1.3 Data are published in *Career Experience, Australia* (Cat. no. 6254.0). More detailed data are available on request.

20.1.4 The main populations of interest are employees (excluding those aged 15–20 who are still attending school), and employees with children under 12 years of age. Estimates are produced on an original basis (i.e. not seasonally adjusted) only and include:

Socio-demographic information

Sex, age, marital status, relationship in household, family, geographic region, educational attainment, birthplace and year of arrival in Australia.

Employees

Employment characteristics (industry, occupation, sector, full-time/part-time status, permanent/casual status); hours worked in reference week; usual weekly earnings; size of employees workplace; changes in jobs held with current employer over previous 12 months (promotions, transfers, changes in duties, level of responsibility, and locations of work); duration of employment and expected future duration of employment with current employer; types of training received/supported by current employer; age of youngest child; and whether had a break from work of six months or more.

Employees with children aged under 12 years

Use of formal childcare; if not using formal childcare — reason why; if using formal childcare — type of childcare used, and number of employees in household.

Employees with children aged under 6 years

Whether took break from work when youngest child was born, and if so details of that break (duration and type of leave taken).

SURVEY OUTPUT <i>continued</i>	20.1.5 Data collected in the survey are compiled according to concepts and definitions outlined in Chapter 4 (employment characteristics and hours worked), Chapter 11 (weekly earnings), and Chapter 15 (socio-demographic information, industry and sector).
SCOPE	20.1.6 The scope of this survey is restricted to persons aged 15 years and over. Also excluded are persons aged 15–20 years who are still attending school. The standard scope restrictions for supplementary surveys outlined in the overview part of Chapter 20 also apply to this survey.
SAMPLE DESIGN	20.1.7 In addition to the sample restrictions for all supplementary surveys, a further three-eighths of the private dwelling sample of the Labour Force Survey are excluded from the sample for this survey.
DATA COMPARABILITY OVER TIME	<p>20.1.8 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and analysis methods are made as infrequently as possible. Over the time the survey has been conducted there have been some changes to the scope and sample size. These changes mean that the standard errors for the survey differ over time. The effect on estimates of the change in scope is considered to have been small. Changes affecting the Labour Force Survey may also affect this survey. Such changes are outlined in Chapter 19 and are not repeated here.</p> <p>1993 Initial survey conducted (February) — data published in <i>Career Experience, Australia</i> (Cat. no. 6254.0).</p> <p>1996 Survey conducted (November).</p> <p>Sample reduced to four-eighths of the Labour Force Survey sample.</p> <p>Data items no longer available from this survey:</p> <ul style="list-style-type: none"> ■ size of location (all employees); ■ whether work performance formally appraised by current employer in the last 12 months; ■ whether intend to stay with current employer for the next 12 months; ■ whether used different computers, computer-based equipment or computer packages with current employer in the last 12 months; ■ whether used other machinery, tools or equipment with current employer in the last 12 months; ■ whether on paid or unpaid leave during the most recent break from work; ■ main field of study; and ■ place of usual residence 12 months ago. <p>Data items replaced by the data item 'Whether changed hours usually worked with current employer in the last 12 months':</p> <ul style="list-style-type: none"> ■ whether changed from full-time to part-time work with current employer in the last 12 months; ■ whether changed from part-time to full-time work with current employer in the last 12 months; and ■ whether had other change in hours usually worked with current employer in the last 12 months.

DATA COMPARABILITY OVER
TIME *continued*

1998 Survey conducted (November).

Data items no longer available from this survey for persons aged 70 and over:

- educational attainment; and
- usual weekly earnings in current position.

Additional data items collected for this survey:

- size of location (all employees);
- whether work performance formally appraised by current employer in the last 12 months;
- expected future duration of main job;
- reason expected duration of main job is less than 12 months;
- type of leave taken for most recent break from work;
- main field of study; and
- place of usual residence 12 months ago.

FURTHER INFORMATION

20.1.9 For further details contact the Assistant Director, Monthly and Multi-purpose Population Surveys Section, on Canberra (02) 6252 6660.

CHAPTER 20.2

EMPLOYEE EARNINGS, BENEFITS AND TRADE UNION MEMBERSHIP

INTRODUCTION

20.2.1 This survey collects information about employees' weekly earnings, employment benefits and trade union membership in August each year. The survey is currently intended to continue on an annual basis.

20.2.2 The collection of a range of socio-demographic and labour force characteristics makes the datasets produced from the survey extremely valuable for comparing and analysing the distribution of both weekly earnings and employment benefits across employees. Data are used in the development and review of wages and labour market policies, and in wage negotiation processes. Data on employment benefits are used to monitor the level of non-wage costs in employment. The survey is the only reliable source of data on the distribution of trade union members by socio-demographic and labour force characteristics.

20.2.3 This section describes only those aspects of the methodology that are unique to this survey, and hence, should be used in conjunction with the overview part of this chapter, which outlines the survey methodology used in supplementary surveys.

SURVEY OUTPUT

20.2.4 Data from the survey have been published in *Employee Earnings, Benefits and Trade Union Membership, Australia* (Cat. no. 6310.0) since 1998. Data from earlier surveys of weekly earnings, trade union members and employment benefits were published in separate publications (see paragraph 20.2.8 for further information). More detailed data are available on request.

20.2.5 The main population of interest is employees. However, employees who are paid solely in kind are excluded. Estimates are produced on an original basis only (i.e. not seasonally adjusted) and include:

Socio-demographic information

Sex, age, marital status, relationship in household, family, geographic region, school attendance, birthplace and year of arrival in Australia.

Employee characteristics

Occupation; industry; hours worked; full-time or part-time status; sector; size of employees workplace; whether have leave entitlements (paid holiday and sick); trade union membership; and employment benefits received (see below).

Employee earnings

Weekly earnings (in main, second and all jobs); hours paid for; and frequency of pay.

Employment benefits received

Superannuation coverage; provision of paid sick leave; provision of paid long service leave; and provision of paid holiday leave. The following items are collected on an irregular basis: finance benefits; goods and services benefits; housing benefits; telephone benefits; transport benefits; study leave benefits; and holiday benefits.

20.2.6 Data collected in the survey are compiled according to concepts and definitions outlined in Chapter 4 (employment characteristics), Chapter 11 (weekly earnings), Chapter 12 (trade union membership) and Chapter 15 (socio-demographic information, industry and sector).

SCOPE

20.2.7 The scope of this survey is restricted to persons aged 15 years and over. The standard scope restrictions for supplementary surveys outlined in the overview part of Chapter 20 also apply to this survey.

DATA COMPARABILITY OVER TIME

20.2.8 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and analysis methods are made as infrequently as possible. Over the time the survey has been conducted there have been some changes to the scope and sample size. These changes mean that the standard errors for the survey differ over time. The effect on estimates of the change in scope is considered to have been small. Changes affecting the Labour Force Survey may also affect this survey. Such changes are outlined in Chapter 19 and are not repeated here.

1975 Annual survey commenced (August) — preliminary data published in *Weekly Earnings of Employees (Distribution), Preliminary* (Ref. no. 6.50) and final data in *Weekly Earnings of Employees (Distribution)* (Ref. no. 6.51). Earnings and hours worked data related to 'all jobs'.

1976 Survey expanded, additional data collected included 'earnings in main job' and 'hours paid'.

1977 Catalogue numbers replaced reference numbers — Cat. no. 6309.0 (preliminary data) and Cat. no. 6310.0 (final data).

1983 Survey expanded, additional data on employment benefits collected annually and published separately — preliminary data published in *Employment Benefits, Australia, Preliminary* (Cat. no. 6332.0) and final data in *Employment Benefits, Australia* (Cat. no. 6334.0). Data on employment benefits previously collected in February to May 1979 and published under the same titles. Note: data from the 1979 survey related to employees working 20 or more hours per week; from 1983 data related to all employees, but school students were assumed not to receive benefits other than leave (paid holiday, paid sick and long service), and goods and services benefits.

1984 Preliminary publication for weekly earnings discontinued.

DATA COMPARABILITY OVER
TIME *continued*

- 1985** Employees on workers' compensation excluded from estimates.
- 1986** Survey expanded, additional data on trade union membership in main job collected biennially and published separately — data published in *Trade Union Members, Australia* (Cat. no. 6325.0) (no preliminary publication). Data on trade union membership previously collected in November 1976, and March to May 1982 and published under the same title (with Ref. no. 6.65 in 1976). Note: estimates from the 1976 survey related to trade union membership in main job and also included trade union membership of some unemployed persons (in their most recent job); estimates from the 1982 survey were restricted to employed persons and related to trade union membership in any job.
- 1987** Definition of transport benefit broadened.
- 1988** Preliminary publication for employment benefits discontinued.
- 1990** Scope of survey restricted to persons aged 15 to 69 (for this year only).
- 1991** Survey month changed to July (for this year only) because of the August 1981 Census post-enumeration survey.
- Persons attending school were not asked questions about their employment benefits other than entitlements to leave (paid holiday, paid sick and long service), and goods and services benefits.
- 1992** Frequency of trade union membership data increased to annual. Data continued to be published separately on a biennial basis in *Trade Union Members, Australia* (Cat. no. 6325.0) until 1996. Limited data were also published in *Weekly Earnings of Employees (Distribution), Australia* (Cat. no. 6310.0) on alternate years (1993, 1995, 1997) until the publications were combined in 1998.
- Frequency of detailed employment benefits data reduced to biennial, with limited data collected on alternate years. Detailed data continued to be published separately in *Employment Benefits, Australia* (Cat. no. 6334.0) until 1994. Limited data were also published in *Weekly Earnings of Employees (Distribution), Australia* (Cat. no. 6310.0) in 1993. Note: in years when detailed employment benefits data were collected, persons attending school were not asked questions about their employment benefits other than entitlements to leave (paid holiday, paid sick and long service) and superannuation; in years when limited data were collected all persons were asked only about entitlements to leave (as before) and superannuation.

DATA COMPARABILITY OVER
TIME *continued*

- 1994** Sample restricted to no more than seven-eighths of the Labour Force Survey sample.
- Frequency of detailed employment benefits data reduced to irregular (1994, 1999), with limited data collected annually (for all persons in scope of survey). Detailed data published separately in 1994 in *Employment Benefits, Australia* (Cat. no. 6334.0.40.001). Limited data published annually from 1995 in *Weekly Earnings of Employees (Distribution), Australia* (Cat. no. 6310.0.40.001).
- Standard Data Service replaced publication format.
- 1996** Earnings data not collected, due to Census post-enumeration survey. *Weekly Earnings of Employees (Distribution), Australia* (Cat. no. 6310.0) not published.
- Trade union membership and limited employment benefits data published in *Trade Union Members, Australia* (Cat. no. 6325.0).
- Publication format replaced Standard Data Service.
- 1997** Limited employment benefits and trade union membership data published in *Weekly Earnings of Employees (Distribution), Australia* (Cat. no. 6310.0).
- Persons living in remote and sparsely settled areas excluded from scope.
- 1998** Separate publications for weekly earnings, employment benefits and trade union members discontinued and replaced with a combined publication — *Employee Earnings, Benefits and Trade Union Membership, Australia* (Cat. no. 6310.0).
- 1999** Detailed employment benefits data collected for all persons in scope of survey.

FURTHER INFORMATION

- 20.2.9 For further details contact the Assistant Director, Monthly and Multi-purpose Population Surveys Section, on Canberra (02) 6252 6660.

CHAPTER 20.3

FORMS OF EMPLOYMENT

INTRODUCTION

20.3.1 The Forms of Employment Survey was conducted for the first time in August 1998. Currently the survey is intended to be conducted on a semi-regular basis, with the next survey planned for November 2001.

20.3.2 The aim of the Forms of Employment Survey is to provide information on some of the key factors relating to the nature of employment arrangements. To this end, the survey collects information on people employed in a range of situations, such as contractors, employees of labour hire firms and casuals. The survey also provided information on where people working under such arrangements would be classified in the monthly Labour Force Survey.

20.3.3 This section describes only those aspects of the methodology that are unique to this survey, and hence, should be used in conjunction with the overview part of this chapter, which outlines the survey methodology used in supplementary surveys.

SURVEY OUTPUT

20.3.4 Data from the survey are published in *Forms of Employment, Australia* (Cat. no. 6359.0). More detailed estimates are available on request, and a confidentialised unit record file from the 1998 survey is also available (Cat. no. 6359.0.00.001).

20.3.5 The main population of interest is employed persons (excluding those working solely for payment in kind, and contributing family workers). Estimates are produced on an original basis only (i.e. not seasonally adjusted) and include:

Socio-demographic information

Sex, age, marital status, relationship in household, family, geographic region, birthplace and year of arrival in Australia.

Employed persons

Full-time or part-time status, occupation, industry, whether has PAYE tax deducted from earnings, continuous duration with current employer/business, expected future duration with current employer/business, reason for leaving employer/business (if planning to leave), whether earnings vary, hours worked in main job in reference week, status in employment, employment type (employees with leave entitlements, self-identified casuals, other employed persons, owner managers of incorporated enterprises, owner managers of unincorporated enterprises), and whether prefers more or fewer hours of work.

Labour Force Survey Employees

Sector (public/private), permanent or casual status, whether receives paid holiday leave, whether receives paid sick leave, whether receives long service leave, whether receives superannuation, whether a member of a trade union, and hours paid for in main job.

Employment type: employees with leave entitlements

Whether employment has a set completion date, whether on a fixed term contract, whether expects contract to be renewed (if on a contract), and whether paid by an employment agency.

Employment type: self-identified casuals

Whether employment has a set completion date, whether on a fixed term contract, whether expects contract to be renewed (if on a contract), whether looked for alternative employment in last three months, whether looked for permanent employment, and whether paid by an employment agency.

Employment type: other employed persons

Whether undertakes contract work, whether has more than one contract, whether able to subcontract own work, main reason unable to subcontract own work (if unable to do so), whether contract prevents working for multiple clients, whether has control over own working procedures, whether employment has a set completion date, whether on a fixed term contract, whether expects contract to be renewed (if on a contract), whether receives a payslip, and whether paid by an employment agency.

Employment type: owner managers

Whether has employees, whether undertakes contract work, whether has more than one contract, whether able to subcontract own work, main reason unable to subcontract own work (if unable to do so), whether contract prevents working for multiple clients, whether has control over own working procedures, level of dependence on client, whether draws a wage or salary and whether invoices or bills for own payment (only asked of owner managers of unincorporated enterprises).

20.3.6 Data collected in the survey are compiled according to concepts and definitions outlined in Chapter 4 (employment characteristics), Chapter 11 (weekly earnings), Chapter 12 (trade union membership) and Chapter 15 (socio-demographic information, industry and sector).

SCOPE

20.3.7 The scope of this survey is restricted to persons aged 15 years and over. The standard scope restrictions for supplementary surveys outlined in the overview part of Chapter 20 also apply to this survey.

DATA COMPARABILITY OVER TIME

20.3.8 Since the Forms of Employment Survey has been conducted once only, there are no considerations of comparability over time for the data items specific to the survey. It should be noted however, that the employment type classification used to display data from the survey is fundamentally different to the Status in Employment classification which is used to display Labour Force Survey results. This issue is discussed in detail in Chapter 4.

FURTHER INFORMATION

20.3.9 For further details contact the Assistant Director, Monthly and Multi-purpose Population Surveys Section, on Canberra (02) 6252 6660.

CHAPTER 20.4

JOB SEARCH EXPERIENCE OF UNEMPLOYED PERSONS

INTRODUCTION

20.4.1 This survey examines the job search experience of unemployed persons, with particular focus on two key aspects — steps taken to find work, and barriers encountered in finding work. First conducted in 1976, the survey is conducted annually in July. Data from the survey are used in formulating policies in areas such as labour market assistance, and control and review mechanisms for unemployment benefit payments.

20.4.2 This section describes only those aspects of the methodology that are unique to this survey, and hence, should be used in conjunction with the overview part of this chapter, which outlines the survey methodology used in supplementary surveys.

SURVEY OUTPUT

20.4.3 Data from the survey are published in *Job Search Experience of Unemployed Persons, Australia* (Cat. no. 6222.0). More detailed data are available on request.

20.4.4 The main population of interest is unemployed persons (excluding those who were stood down). Estimates are produced on an original basis only (i.e. not seasonally adjusted) and include:

Socio-demographic information

Sex, age, marital status, relationship in household, family, geographic region, educational attainment, birthplace and year of arrival in Australia.

Unemployed persons

Whether looking for full-time or part-time work, duration of current period of unemployment, active steps taken to find work, whether would move interstate if offered a suitable job, whether would move intrastate if offered a suitable job, number of offers of employment in past 12 months, difficulties finding work, number of spells of finding work in previous 12 months, and time spent looking for work in previous 12 months.

Unemployed persons who were employees in their last full-time job and ceased that job in the last two years

Duration of last full-time job, industry of last full-time job, occupation of last full-time job, and reason for ceasing last full-time job.

20.4.5 Data collected in the survey are compiled according to concepts and definitions outlined in Chapter 6 (unemployment) and Chapter 15 (socio-demographic information and industry).

SCOPE

20.4.6 The scope of this survey is restricted to persons aged 15 years and over. The standard scope restrictions for supplementary surveys outlined in the overview part of Chapter 20 also apply to this survey.

COLLECTION METHODOLOGY	20.4.7 Personal interviews are used to collect information for the survey. Both face to face and telephone interviewing techniques are used.
DATA COMPARABILITY OVER TIME	<p>20.4.8 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and analysis methods are made as infrequently as possible. Over the time the survey has been conducted there have been some changes to the scope and sample size. These changes mean that the standard errors for the survey differ over time. The effect on estimates of the change in scope is considered to have been small. Changes affecting the Labour Force Survey may also affect this survey. Such changes are outlined in Chapter 19 and are not repeated here.</p> <p>1976 Initial two surveys conducted in May and November — preliminary data published in <i>Persons looking for work, Preliminary</i> (Ref. no. 6.56) and final data in <i>Persons looking for work</i> (Ref. no. 6.60).</p> <p>1977 Survey conducted (May). Catalogue numbers replaced reference numbers — Cat. no. 6221.0 (preliminary data) and Cat. no. 6222.0 (final data).</p> <p>1978 Annual collection commenced (July).</p> <p>1981 Survey conducted in June (this year only).</p> <p>1982 Publication title change — preliminary data published in <i>Characteristics of persons looking for work, Australia, Preliminary</i> (Cat. no. 6221.0) and final data in <i>Characteristics of persons looking for work, Australia</i> (Cat. no. 6222.0).</p> <p>1984 Publication title change — preliminary data published in <i>Job Search Experience of Unemployed Persons, Australia, Preliminary</i> (Cat. no. 6221.0) and final data in <i>Job Search Experience of Unemployed Persons, Australia</i> (Cat. no. 6222.0).</p> <p>1986 Survey conducted in June (this year only).</p> <p>1988 Preliminary publication discontinued.</p> <p>1991 Survey conducted in June (this year only).</p> <p>1994 Reduction in sample to seven-eighths of Labour Force Survey sample.</p> <p>1995 Standard Data Service replaced publication format (Cat. no. changed to 6222.0.40.001).</p> <p>1996 Publication format replaced <i>Standard Data Service</i> (Cat. no. changed to 6222.0).</p>

DATA COMPARABILITY OVER TIME <i>continued</i>	1997	Persons living in remote and sparsely settled areas excluded from scope.
	1998	Change to government administration of jobseeking arrangements. The former CES was split, some responsibilities being moved to Centrelink and the privatised Job Network created, causing a slight discontinuity in some estimates.
	2000	Reduction in survey content (this year only) — details of last full-time job not collected.
FURTHER INFORMATION	20.4.9	For further details contact the Assistant Director, Monthly and Multi-purpose Population Surveys Section, on Canberra (02) 6252 6660.

CHAPTER 20.5

LABOUR FORCE EXPERIENCE

INTRODUCTION

20.5.1 The Labour Force Experience Survey collects a range of data about the labour force experiences of persons aged 15–69 over the 12 month period prior to the survey date. It was first conducted in 1969, and has been conducted on a biennial basis since February 1996. It presents information about time spent in labour force activities, including episodes of work or looking for work, and time spent out of the labour force.

20.5.2 Estimates from the survey are used to monitor the extent and nature of labour force participation over an extended period and to complement gross flows estimates from the monthly Labour Force Survey in the analysis of labour market dynamics. The information is used to construct profiles of various groups within the labour force, particularly the unemployed.

20.5.3 This section describes only those aspects of the methodology that are unique to this survey, and hence, should be used in conjunction with the overview part of this chapter, which outlines the survey methodology used in supplementary surveys.

SURVEY OUTPUT

20.5.4 Data from the survey are published in *Labour Force Experience, Australia* (Cat. no. 6206.0). More detailed estimates are available on request.

20.5.5 The main population of interest is persons aged 15–69. Estimates are produced on an original basis only (i.e. not seasonally adjusted) and include:

Socio-demographic information

Sex, age, marital status, relationship in household, family, geographic region, State or Territory of usual residence 12 months ago, educational attainment, birthplace and year of arrival in Australia.

All persons

Labour force status at survey date, time in the labour force during the year, time worked during the year (including time spent working full-time and part-time), time and number of spells spent looking for work during the year, whether had an unpaid absence from work during the year, number of employers/businesses during the year, time out of the labour force and main activity when not in the labour force.

Persons who were employed at survey date

Status in employment, occupation, industry, full-time or part-time status, duration in current job and time worked with current employer/business.

SURVEY OUTPUT <i>continued</i>	<p>20.5.6 Data collected in the survey are compiled according to concepts and definitions outlined in Chapter 2 (currently economically active population — labour force status at survey date), Chapter 4 (employment characteristics), Chapter 8 (usually economically active population — time in the labour force during the year, time worked and looked for work during the year) and Chapter 15 (socio-demographic information and industry).</p>
SCOPE	<p>20.5.7 The scope of this survey is restricted to persons aged 15 to 69. The standard scope restrictions for supplementary surveys outlined in the overview part of Chapter 20 also apply to this survey.</p>
DATA COMPARABILITY OVER TIME	<p>20.5.8 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and analysis methods are made as infrequently as possible. Over the time the survey has been conducted there have been some changes to the scope and sample size. These changes mean that the standard errors for the survey differ over time. The effect on estimates of the change in scope is considered to have been small. Changes affecting the Labour Force Survey may also affect this survey. Such changes are outlined in Chapter 19 and are not repeated here.</p> <p>1969 Initial survey conducted (February) — preliminary data in Labour Force Experience, Preliminary (Ref. no 6.38) and final data in <i>Labour Force Experience</i> (Ref. no 6.26).</p> <p style="padding-left: 40px;">Survey reference period — preceding calendar year.</p> <p style="padding-left: 40px;">Sample size restricted to three-quarters of the Labour Force Survey sample.</p> <p>1973 Survey conducted (February).</p> <p>1975 Annual collection commenced (February).</p> <p>1978 Survey not conducted (this year only).</p> <p>1979 Catalogue numbers replaced reference numbers — Cat. no. 6205.0 (preliminary data) and Cat. no. 6206.0 (final data)</p> <p>1981 Change to survey reference period — beginning of February in previous year to the end of the reference week.</p> <p>1982 Change to the classification of some persons (this year only) — persons who reported that they had been in their current job for one year and also reported that they did not work for the entire reference period were not classified as 'not in the labour force' for the remainder of the period (as they were in other years).</p>

DATA COMPARABILITY OVER
TIME *continued*

- 1983** Change to survey reference period — 52 weeks to the end of the week prior to interview.
- 1988** Preliminary publication discontinued.
- 1989** Sample size reduced to one-half of the Labour Force Survey sample.
- 1990** Change to survey month (March).

Persons aged 70 and over excluded from scope of the survey.

Sample size increased to full Labour Force Survey sample.
- 1995** Annual collection ceased — replaced by biennial collection (February).

Sample restricted to no more than seven-eighths of the Labour Force Survey sample.

Standard Data Service replaced publication format (Cat. no. changed to 6206.0.40.001).
- 1997** Publication format replaced Standard Data Service (Cat. no. changed to 6206.0).

Persons living in remote and sparsely settled areas excluded from scope.

FURTHER INFORMATION

- 20.5.9 For further details contact the Assistant Director, Monthly and Multi-purpose Population Surveys Section, on Canberra (02) 6252 6660.

CHAPTER 20.6

LABOUR FORCE STATUS AND OTHER CHARACTERISTICS OF MIGRANTS

INTRODUCTION

20.6.1 This survey provides data on the labour force status and other characteristics of persons who migrated to Australia, as adults, after 1980 and who obtained permanent residency status. The information collected enables an assessment of the labour market experience of this group of migrants. Similar surveys have been conducted on an irregular basis since 1984. The most recent survey was conducted in 1999, and the date of the next survey has not yet been determined. Note: surveys conducted in 1984 and 1987 collected information about migrants who arrived after 1960; and surveys conducted in 1990, 1993 and 1996 collected information about migrants who arrived after 1970.

20.6.2 This section describes only those aspects of the methodology that are unique to this survey, and hence, should be used in conjunction with the overview part of this chapter, which outlines the survey methodology used in supplementary surveys.

SURVEY OUTPUT

20.6.3 Data from the survey are published in *Labour Force Status and Other Characteristics of Migrants, Australia* (Cat. no. 6250.0). More detailed data are available on request.

20.6.4 The main population of interest is migrants (defined as those persons who were not born in Australia, arrived in Australia after 1980, were aged 18 years and over on arrival, and obtained permanent residency status). Estimates are produced on an original basis only (i.e. not seasonally adjusted) and include:

Socio-demographic information

Sex, age, marital status, relationship in household, family, geographic region, birthplace and year of arrival in Australia.

All persons

Labour force status, full-time or part-time status, status in employment, industry and occupation.

Migrants

Whether had a job just before migration, whether worked full-time just before migration, occupation just before migration, whether had family or friends in Australia just before migration, whether all family in Australia just before migration, migration category (e.g. principal applicant or partner of principal applicant, sponsored by family, employer or other organisation, or unsponsored), age on arrival, country of last residence, educational attainment on arrival, highest qualification gained since arrival, main source of income, and whether occupation before migration was the same as occupation on survey date.

Migrants born in other than main English-speaking countries

Proficiency in spoken English.

Migrants with post-school qualifications

Region of country in which qualification was obtained before migration, and whether qualification obtained before migration recognised in Australia.

20.6.5 Data collected in the survey are compiled according to concepts and definitions outlined in Chapter 2 (labour force status), Chapter 4 (employment characteristics) and Chapter 15 (socio-demographic information and industry).

SCOPE

20.6.6 The scope of this survey is restricted to persons aged 15 and over. The standard scope restrictions for supplementary surveys outlined in the overview part of Chapter 20 also apply to this survey.

DATA COMPARABILITY OVER TIME

20.6.7 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and analysis methods are made as infrequently as possible. Over the time the survey has been conducted there have been some changes to the scope and sample size. These changes mean that the standard errors for the survey differ over time. The effect on estimates of the change in scope is considered to have been small. Changes affecting the Labour Force Survey may also affect this survey. Such changes are outlined in Chapter 19 and are not repeated here.

1984 Initial survey conducted (March) — preliminary data published in *Characteristics of Migrants Aged 18 Years and Over at Time of Arrival and Who Arrived After 1960, Australia, Preliminary* (Cat. no. 6249.0) and final data in *Characteristics of Migrants Aged 18 Years and Over at Time of Arrival and Who Arrived After 1960, Australia* (Cat. no. 6250.0).

Scope restricted to adult migrants who arrived after 1960.

1987 Survey conducted (March) — data published in *Labour Force Status and Other Characteristics of Migrants, Australia* (Cat. no. 6250.0).

Preliminary publication discontinued.

Survey expanded to collect more data from couples, enabling wife to be classified as principal applicant for migration if this was the case.

1990 Survey conducted (September).

Scope revised — adult migrants who arrived in Australia after 1970.

Unit record data released (for this year only). For further information see *Information Paper: Labour Force Status and Other Characteristics of Migrants, Australia, September 1990, Unit Record File on Magnetic Tape* (Cat. no. 6251.0)

DATA COMPARABILITY OVER
TIME *continued*

1993 Survey conducted (September).

1996 Survey conducted (November).

Data item 'Field of qualification obtained before migration' no longer available.

Sample restricted to seven-eighths of the Labour Force Survey sample.

1999 Survey conducted (November).

Scope revised — adult migrants who arrived in Australia after 1980 but excluding persons living in remote and sparsely settled areas.

FURTHER INFORMATION

20.6.8 For further details contact the Assistant Director, Monthly and Multi-purpose Population Surveys Section, on Canberra (02) 6252 6660.

CHAPTER 20.7

LABOUR MOBILITY

INTRODUCTION

20.7.1 The Labour Mobility survey provides information on job mobility and job tenure over a 12 month period. The survey was first conducted in November 1972. Since February 1992 the survey has been conducted biennially, with the most recent survey conducted in February 2000. Over this time the survey design has remained broadly the same, with some changes to the scope and sample size.

20.7.2 The survey is the only source of data on labour force mobility over a twelve month period and (in conjunction with the Labour Force Experience survey) is a major source of data for analysing the dynamic nature of the labour force.

20.7.3 This section describes only those aspects of the methodology that are unique to this survey, and hence, should be used in conjunction with the overview part of this chapter, which outlines the survey methodology used in supplementary surveys.

SURVEY OUTPUT

20.7.4 The data are published in *Labour Mobility, Australia* (Cat. no. 6209.0). More detailed estimates are available on request.

20.7.5 Data from the survey relate to persons aged 15–69. The main population of interest is persons who worked at some time during the year. Details of last job and jobs held currently may relate to jobs outside Australia. Estimates are produced on an original basis only (i.e. not seasonally adjusted) and include:

Socio-demographic information

Sex, age, marital status, relationship in household, family, geographic region, State of usual residence 12 months prior to survey date, educational attainment, birthplace and year of arrival in Australia.

Persons who worked at some time during the year

Whether in the labour force at survey date and, if so, whether working or looking for work; whether in the labour force 12 months prior to survey date and, if so, whether working or looking for work; number of employers or businesses during the year; details of jobs held during the year including occupation, industry, full-time/part-time status and status in employment — details are collected where appropriate for up to three jobs (current, last job and job held 12 months prior to survey date); job mobility (whether changed employer/business or locality); details of changes in labour force status and jobs held over survey reference period (between survey reference date and situation 12 months prior).

Persons who were working at survey date

Duration of current job, summary of changes from last to current job (e.g. whether changed occupation, industry, full-time/part-time status), summary of changes from job held 12 months previous to current job.

SURVEY OUTPUT <i>continued</i>	<p>Persons who were working at survey date and had changed locality from last job</p> <p style="padding-left: 40px;">Reason changed locality.</p> <p>Persons who ceased a job during the year</p> <p style="padding-left: 40px;">Reason for ceasing last job, duration of last job.</p> <p>20.7.6 Data collected in the survey are compiled according to concepts and definitions outlined in Chapter 4 (employment characteristics) and Chapter 15 (socio-demographic information and industry).</p>
SCOPE	<p>20.7.7 The scope of this survey is restricted to persons aged 15–69 years. The standard scope restrictions for supplementary surveys outlined in the overview part of Chapter 20 also apply to this survey.</p>
DATA COMPARABILITY OVER TIME	<p>20.7.8 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and analysis methods are made as infrequently as possible. Over the time the survey has been conducted there have been some changes to the scope and sample size. These changes mean that the standard errors for the survey differ over time. The effect on estimates of the change in scope is considered to have been small. The changes to the sample size mean that the standard errors for the surveys differ over time. Changes affecting the Labour Force Survey may also affect this survey. Such changes are outlined in Chapter 19 and are not repeated here.</p> <p>1972 Initial survey conducted (November) — preliminary data published in <i>Labour Mobility, Preliminary</i> (Ref. no. 6.34) and final data in <i>Labour Mobility</i> (Ref. no. 6.43).</p> <p style="padding-left: 40px;">Survey reference period — preceding calendar year.</p> <p style="padding-left: 40px;">Sample size restricted to three-quarters of the Labour Force Survey sample.</p> <p>1975 Survey conducted (February).</p> <p>1976 Survey conducted (February).</p> <p>1979 Annual collection commenced (February).</p> <p style="padding-left: 40px;">Catalogue numbers replaced reference numbers — Cat. no. 6208.0 (preliminary data) and Cat. no. 6209.0 (final data).</p> <p>1981 Change to survey reference period — beginning of February in the previous year to the end of the reference week.</p> <p style="padding-left: 40px;">Reasons for leaving job collected only from persons who stated they changed jobs (previously asked of all persons leaving a job).</p> <p style="padding-left: 40px;">For persons who changed jobs during the reference period, data collected about current job and first job held during the reference period (previously asked about current job and previous job held).</p>

DATA COMPARABILITY OVER TIME <i>continued</i>	1983	Change to survey reference period — 52 weeks to the end of the week prior to interview.
	1988	Preliminary publication discontinued.
	1989	Sample size reduced to one-half of the Labour Force Survey sample.
	1990	Persons aged 70 and over excluded from the scope of the survey. Sample size increased to full Labour Force Survey sample.
	1992	Annual collection ceased — replaced by biennial collection.
	1996	Sample restricted to no more than seven-eighths of the Labour Force Survey sample.
	1998	Persons living in remote and sparsely settled areas excluded from scope.
	FURTHER INFORMATION	20.7.9

CHAPTER 20.8

LOCATIONS OF WORK

INTRODUCTION

20.8.1 This survey provides information about the locations where people work (such as their own home or employer's premises) and the job characteristics and working arrangements of people who work at home. The Locations of Work Survey was first conducted in 2000, and will be conducted on an irregular basis. It replaces the Survey of Persons Employed at Home conducted in 1989, 1992 and 1995.

20.8.2 Data from the survey are relevant to a wide range of policies and programs, including trends in work performed away from the employer's workplace, working conditions, gender equity in the workforce, labour market planning and assistance (e.g. access to child care by working parents), changes in workplace arrangements, and the effects of technology. Information on locations of work will be used to monitor trends in workplace locations.

20.8.3 This section describes only those aspects of the methodology that are unique to this survey, and hence, should be used in conjunction with the overview part of this chapter, which outlines the survey methodology used in supplementary surveys.

SURVEY OUTPUT

20.8.4 Data from the survey have previously been published in *Persons Employed at Home, Australia* (Cat. no. 6275.0), now renamed *Locations of Work, Australia* (Cat. no. 6275.0). More detailed data are available on request.

20.8.5 Data from the survey relate to persons aged 15 to 69. The main population of interest is employed persons who work at home. The survey defines employed persons who work at home as: persons who, in the reference week, mainly or only worked at their own home or at the home of another person (excluding the home of their employer or client), and employees who had an arrangement with their employer to work some hours at home, in their main or second job, in the reference week. Estimates are produced on an original basis only (i.e. not seasonally adjusted) and include:

Socio-demographic information

Sex, age, marital status, relationship in household, family, geographic region, birthplace and year of arrival in Australia.

Employed persons

Status in employment, full-time/part-time status, hours worked, all types of locations of work and main type of location of work.

Note: if the person is a multiple job holder, information is collected in relation to both jobs.

Employed persons who work at home

Occupation, industry, superannuation coverage, workers' compensation coverage, basis of payment (e.g. fixed salary, wage, commission, piece rate etc.), main basis of payment, and information technology used in work at home. Note: if the person is a multiple job holder, information is collected in relation to job(s) in which person works at home.

Employees who work at home

Provision of paid sick leave, provision of paid holiday leave and trade union membership. Note: if multiple job holder information is collected in relation to employee job(s) in which person works at home.

20.8.6 Data collected in the survey are compiled according to concepts and definitions outlined in Chapter 4 (employment characteristics), Chapter 12 (trade union membership) and Chapter 15 (socio-demographic information and industry).

SCOPE

20.8.7 The scope of this survey is restricted to persons aged 15–69. The standard scope restrictions for supplementary surveys outlined in the overview part of Chapter 20 also apply to this survey.

DATA COMPARABILITY OVER TIME

20.8.8 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and analysis methods are made as infrequently as possible. The survey was redeveloped for the June 2000 collection, as a result of client requirements and a desire to better meet the statistical requirements of the ILO convention on home work. Changes to the survey scope and sample size mean that the standard errors for the surveys differ over time. The 2000 survey considerably expanded the scope of the survey. Changes affecting the Labour Force Survey may also affect this survey. Such changes are outlined in Chapter 19 and are not repeated here.

1989 Initial survey conducted (April) data published in *Persons Employed at Home, Australia* (Cat. no. 6275.0).

Persons employed at home defined as persons who usually worked more hours at home than elsewhere, in their main or second job. Farmers, ASCO unit groups 1401 (farmers and farm managers) and 8201 (farm hands and assistants) were excluded.

1992 Survey conducted (March).

1995 Survey conducted (September).

Sample restricted to seven-eighths of the Labour Force Survey sample.

DATA COMPARABILITY OVER
TIME *continued*

2000 Survey redeveloped (Locations of Work) and conducted in June.

Persons living in remote and sparsely settled areas excluded from scope.

Persons employed at home redefined as people who, in the reference week, mainly or only work at home or in the home of another person (not employer's or client's home) or work at own home or in the home of another person as part of their formal working arrangements. Note: 'persons employed at home' as defined in the 1989, 1992 and 1995 surveys are not identifiable in the 2000 survey.

FURTHER INFORMATION

20.8.9 For further details contact the Assistant Director, Monthly and Multi-purpose Population Surveys Section, on Canberra (02) 6252 6660.

CHAPTER 20.9

MULTIPLE JOB HOLDERS

INTRODUCTION

20.9.1 Information on multiple job holders has been collected on an irregular basis since 1965. Estimates from the survey are used to adjust estimates of employment from the Survey of Employment and Earnings (see Chapter 25 for further information) for use in the Australian National Accounts.

20.9.2 This section describes only those aspects of the methodology that are unique to this survey, and hence, should be used in conjunction with the overview part of this chapter, which outlines the survey methodology used in supplementary surveys.

SURVEY OUTPUT

20.9.3 Data from the survey are no longer published, but estimates are available on request. Estimates from previous surveys have been published in *Multiple Jobholding, Australia* (Cat. no. 6216.0).

20.9.4 Data from the survey relate to persons aged 15 and over. The main population of interest is employed persons (excluding contributing family workers and persons working solely for payment in kind) with more than one job who worked as an employee in at least one of their jobs. Estimates are produced on an original basis only (i.e. not seasonally adjusted) and include:

Socio-demographic information

Sex, age, marital status, relationship in household, family, geographic region, birthplace and year of arrival in Australia.

Multiple job holders

Labour force characteristics of main and second job including status in employment, full-time/part-time status, hours worked, occupation, industry, weekly earnings, and whether worked in second job in the survey reference week.

20.9.5 Data collected in the survey are compiled according to concepts and definitions outlined in Chapter 4 (employment characteristics) and Chapter 15 (socio-demographic information and industry).

SCOPE

20.9.6 The scope of this survey is restricted to persons aged 15 years and over. The standard scope restrictions for supplementary surveys outlined in the overview part of Chapter 20 also apply to this survey.

DATA COMPARABILITY OVER TIME

20.9.7 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and analysis methods are made as infrequently as possible. Over the time the survey has been conducted there have been some changes to the scope and sample size. These changes mean that the standard errors for the surveys differ over time. The effect on the estimates of the change in scope is considered to have been small. Changes affecting the Labour Force Survey may also affect this survey. Such changes are outlined in Chapter 19 and are not repeated here.

DATA COMPARABILITY OVER
TIME *continued*

- 1965** Initial survey conducted (November) — data published in *Multiple Job Holders* (Statistical Bulletin 465).
- Survey scope — employed persons aged 14 and over.
- Multiple job holders were defined as employed persons holding any kind of second job (may have been working or temporarily absent from that job in the survey reference period). Note: second job excludes occupations such as professional sportsmen, part-time musicians, paid coaches and the like.
- Main job was defined as job in which the respondent worked most hours in the reference week.
- 1966** Survey conducted (August) — data published in *Multiple Job Holders* (Statistical Bulletin 564).
- Change to survey scope — employed persons aged 15 and over.
- Multiple job holders were defined as employed persons holding any kind of second job (may have been working or temporarily absent from that job in the survey reference period) and employed as a wage or salary earner or unpaid family helper in at least one of those jobs. Note: second job excludes occupations such as professional sportsmen, part-time musicians, paid coaches and the like.
- 1967** Survey conducted (August) — data published in *Multiple Job Holders* (Ref. no. 6.10).
- 1971** Survey conducted (May).
- Change to survey scope — employed persons aged 15 and over.
- Multiple job holders were defined as employed persons holding any kind of second job (may have been working or temporarily absent from that job in the survey reference period) and employed as a wage or salary earner in at least one of those jobs. Note: second job excludes unpaid family helpers.
- 1973** Biennial collection commenced (August).
- Preliminary publication introduced — *Multiple Job Holders, Preliminary* (Ref. no. 6.39).
- 1977** Catalogue numbers replaced reference numbers — Cat. no. 6215.0 (preliminary data) and Cat. no. 6216.0 (final data).
- Preliminary publication discontinued.
- 1979** Change to definition of main job — job in which the respondent *usually* works most hours in the reference week.

DATA COMPARABILITY OVER
TIME *continued*

- 1991** Survey conducted in July (this year only).
- 1994** Sample restricted to seven-eighths of the Labour Force Survey sample.
- Standard Data Service replaced publication format (Cat. no. changed to 6216.0.40.001).
- 1997** Survey conducted in August.
- Publication format replaced Standard Data Service (Cat. no. changed to 6216.0).
- Persons living in remote and sparsely settled areas excluded from scope.
- 1998** Annual collection commenced (July).
- Survey content substantially reduced.
- Publication discontinued (data available on request).

FURTHER INFORMATION

- 20.9.8 For further details contact the Assistant Director, Monthly and Multi-purpose Population Surveys Section, on Canberra (02) 6252 6660.

CHAPTER 20.10

PERSONS NOT IN THE LABOUR FORCE

INTRODUCTION

20.10.1 The Persons Not in the Labour Force (PNILF) survey was first conducted in May 1975 and then in May 1977. The survey has been conducted annually since 1988. The survey collects information about persons who are neither employed nor unemployed. Data from this survey are used to measure potential labour not reflected in employment and unemployment statistics, and in particular to measure the number and characteristics of discouraged job seekers and others marginally attached to the labour force. The policy context for the data includes labour market programs for the jobless, income support programs, retirement policies, and child care policies.

20.10.2 This section describes only those aspects of the methodology that are unique to this survey, and hence, should be used in conjunction with the overview part of this chapter, which outlines the survey methodology used in supplementary surveys.

SURVEY OUTPUT

20.10.3 Data from the survey are published in *Persons Not in the Labour Force, Australia* (Cat. no. 6220.0). More detailed estimates are available on request.

20.10.4 Data from the survey relate to persons aged 15–69. The main populations of interest are persons not in the labour force, persons marginally attached to the labour force, and discouraged job seekers. Estimates are produced on an original basis only (i.e. not seasonally adjusted) and include:

Socio-demographic information

Sex, age, marital status, household/family relationship, State or Territory of usual residence, birthplace, year of arrival in Australia, number of children and age of youngest child.

Persons not in the labour force

Whether want to work and type of work preferred; whether looked for work in last 12 months; main activity when not in the labour force; for persons who have previously had a job, time since last job, and reason for ceasing; for persons who have held a job in the last 20 years, details of the job including occupation, status in employment, and full-time or part-time status; intention to enter the labour force; and main source of income.

Persons marginally attached to the labour force

Details of whether actively looking for work and whether available for work; for persons not actively looking for work, all and main reason(s) not actively looking for work; for persons not available to start work within four weeks, main reason not available; and for persons not actively looking for work or available to start work within four weeks for childcare reasons, age of youngest child and number of children.

SURVEY OUTPUT <i>continued</i>	20.10.5 Data collected in the survey are compiled according to concepts and definitions outlined in Chapter 4 (employment characteristics), Chapter 7 (persons not in the labour force) and Chapter 15 (socio-demographic information).
SCOPE	20.10.6 The scope of this survey is restricted to persons aged 15–69 years. The standard scope restrictions for supplementary surveys outlined in the overview part of Chapter 20 also apply to this survey.
DATA COMPARABILITY OVER TIME	<p>20.10.7 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and analysis methods are made as infrequently as possible. Over the time the survey has been conducted there have been some changes to the scope and sample size. These changes mean that the standard errors for the surveys differ over time. The effect on the estimates of the change in scope is considered to have been small. Changes affecting the Labour Force Survey may also affect this survey. Such changes are outlined in Chapter 19 and are not repeated here.</p> <p>1975 Initial survey conducted (November) — preliminary data published in <i>Persons Not In the Labour Force, Preliminary</i> (Ref. no. 6.54) and final data in <i>Persons Not In the Labour Force</i> (Ref. no. 6.59).</p> <p style="padding-left: 40px;">Survey scope — persons aged 15 to 64.</p> <p>1977 Survey conducted (May).</p> <p style="padding-left: 40px;">Catalogue numbers replaced reference numbers — Cat. no. 6219.0 (preliminary data) and Cat. no. 6220.0 (final data).</p> <p>1979 Biannual collection commenced (March and September), some definitional changes.</p> <p>1980 Change to definition of persons wanting a job — broadened to include persons available to start work within 4 weeks from the end of the reference week but not actively looking for work.</p> <p style="padding-left: 40px;">Preliminary publication discontinued.</p> <p>1983 Concept of marginal attachment to the labour force introduced.</p> <p style="padding-left: 40px;">Improvements made to measure of discouraged job seekers.</p> <p style="padding-left: 40px;">Survey scope changed — persons aged 15 and over.</p> <p>1988 Survey scope changed — persons aged 15 to 69.</p> <p>1989 Annual collection commenced (September).</p>

DATA COMPARABILITY OVER
TIME *continued*

- 1994** Standard Data Service replaced publication format (Cat. no. changed to 6220.0.40.001).

Sample reduced to seven-eighths of Labour Force Survey sample.
- 1996** Publication format replaced *Standard Data Service* (Cat. no. changed to 6220.0).
- 1997** Persons living in remote and sparsely settled parts of Australia excluded from scope of survey.

FURTHER INFORMATION

20.10.8 For further details contact the Assistant Director, Monthly and Multi-purpose Population Surveys Section, on (02) 6252 6660.

CHAPTER 20.11

RETIREMENT AND RETIREMENT INTENTIONS

INTRODUCTION

20.11.1 This survey collects information about the retirement and retirement intentions of persons aged 45 and over. The survey has been conducted on an irregular basis since 1980 and is next planned to be conducted in November 2002, though it will not collect information on retirement intentions.

20.11.2 Data from the survey are used to examine changes in retirement trends over time and the income arrangements retirees and potential retirees have made to provide for their retirement. Data are used primarily in the development and review of income support and superannuation policies.

20.11.3 This section describes only those aspects of the methodology that are unique to this survey, and hence, should be used in conjunction with the overview part of this chapter, which outlines the survey methodology used in supplementary surveys.

SURVEY OUTPUT

20.11.4 Data from the survey are published in *Retirement and Retirement Intentions, Australia* (Cat. no. 6238.0). More detailed data are available on request.

20.11.5 Data from the survey relate to persons aged 45 years and over. The main populations of interest are persons who have retired from full-time work, persons who have retired from the labour force, and the retirement intentions of persons still working. Estimates are available on an original basis only (i.e. not seasonally adjusted) and include:

Socio-demographic information

Sex, age, marital status, household/family relationship, State or Territory of usual residence, birthplace and year of arrival in Australia.

All persons

Labour force status; and for persons working, details of current job including full-time or part-time status, status in employment, occupation, and industry.

Persons who have retired from full-time work

Age at retirement from full-time work; reason for ceasing last full-time job; whether reached compulsory retirement age in last full-time job; details of last full-time job including occupation, industry, and status in employment; and time since retirement

Persons who have retired from full-time work aged 45 and over

Details of retirement scheme membership, including retirement scheme membership at retirement from full-time job, time in main retirement scheme at retirement from full-time job, previous retirement scheme membership, and time in previous retirement scheme; details of payments from retirement scheme, including type of payment from retirement scheme, and disbursement of lump sum payment from retirement scheme (and amount if retired less than 4 years from time of survey); and details of income, including sources of income at retirement from full-time work, current sources of income, and whether changed main source of income since retirement.

Persons who have retired from the labour force

Details of retirement from full-time work (as above); time since retirement from the labour force.

Persons who intend to retire

Details of retirement scheme membership (current and previous); expected time until retirement (from full-time work, from the labour force); expected sources of income at retirement from full-time work; whether intends to work part-time after retirement from full-time work; and intended age at retirement (from full-time work, from the labour force).

20.11.6 All data collected are compiled according to concepts and definitions outlined in Chapter 2 (labour force status), Chapter 4 (employment characteristics including), Chapter 9 (retirement and retirement intentions) and Chapter 15 (socio-demographic information and industry).

SCOPE

20.11.7 The scope of this survey is restricted to persons aged 45 and over. The standard scope restrictions for supplementary surveys outlined in the overview part of Chapter 20 also apply to this survey.

SAMPLE DESIGN

20.11.8 In addition to those sample restrictions outlined in Chapter 20 a further one-eighth (one rotation group) of the private dwelling Labour Force Survey sample was excluded from this survey in 1997.

DATA COMPARABILITY OVER TIME

20.11.9 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and analysis methods are made as infrequently as possible. Over the time the survey has been conducted there have been some changes to the scope and sample size. These changes mean that the standard errors for the surveys differ over time. The effect on the estimates of the change in scope is considered to have been small. Changes affecting the Labour Force Survey may also affect this survey. Such changes are outlined in Chapter 19 and are not repeated here.

DATA COMPARABILITY OVER
TIME *continued*

- 1980** Initial survey conducted (May) — preliminary data published in *Persons Aged 50–69 Years Ceasing Full-Time Work, Australia, Preliminary* (Cat. no. 6237.0) and final data in *Persons Aged 50–69 Years Ceasing Full-Time Work, Australia* (Cat. no. 6238.0).
- Survey scope — persons aged 50–69.
- Ceased full-time work defined as — previously worked on a full-time basis and have permanently ceased full-time labour force activity (working or looking for work).
- 1983** Survey conducted (September) — data published in *Persons Retired From Full-Time Work, Australia* (Cat. no. 6238.0).
- Retired defined as — previously worked on a full-time basis and have permanently ceased full-time labour force activity (working or looking for work).
- 1984** Survey conducted (September) — preliminary data published in *Persons Who Intended To Retire From Full-Time Work, Australia, Preliminary* (Cat. no. 6257.0) and final data in *Persons Who Intended To Retire From Full-Time Work, Australia* (Cat. no. 6258.0).
- Survey scope — persons aged 45 and over.
- Information only collected about intentions to retire from full-time work.
- 1986** Survey conducted (November) — preliminary data published in *Retirement and Retirement Intentions, Australia, Preliminary* (Cat. no. 6237.0) and final data in *Retirement and Retirement Intentions, Australia* (Cat. no. 6238.0).
- Information collected about: intentions to retire from full-time work; and retirement from full-time work. However information was not collected from persons permanently unable to work.
- Preliminary publication discontinued.
- 1989** Survey conducted (November).
- 1992** Survey conducted (October).
- 1994** Survey conducted (November).
- Sample restricted to seven-eighths of the Labour Force Survey sample.
- Information collected from persons permanently unable to work.
- Standard Data Service replaced publication format (Cat. no. changed to 6238.0.40.001).

DATA COMPARABILITY OVER
TIME *continued*

1997

Sample restricted to six-eighths of the Labour Force Survey sample.

Data on partial and full retirement collected.

Publication format replaced *Standard Data Service* (Cat. no. changed to 6238.0).

Persons living in remote and sparsely settled areas excluded from scope.

FURTHER INFORMATION

20.11.10 For further details contact the Assistant Director, Monthly and Multi-purpose Population Surveys Section, on Canberra (02) 6252 6660.

CHAPTER 20.12

RETRENCHMENT AND REDUNDANCY

INTRODUCTION

20.12.1 This survey was conducted in July 1997, and collected information on the labour force status and other characteristics of persons who had been retrenched or made redundant in the three year period to 30 June 1997. The survey had not been conducted previously and is intended to continue on an irregular basis only.

20.12.2 Results from the survey provide information on the employment consequences of structural change in the economy, and are used for policy development and planning of services to workers who have been retrenched or made redundant.

20.12.3 This section describes only those aspects of the methodology that are unique to this survey, and hence, should be used in conjunction with the overview part of this chapter, which outlines the survey methodology used in supplementary surveys.

SURVEY OUTPUT

20.12.4 Data from the survey were published in *Retrenchment and Redundancy, Australia* (Cat. no. 6266.0). More detailed data are available on request.

20.12.5 Data from the survey relate to persons aged 18 to 64. The main population of interest was persons who had been retrenched or made redundant in the three years to 30 June 1997. Estimates are available on an original basis only (i.e. not seasonally adjusted) and include:

Socio-demographic information

Sex, age, marital status, relationship in household, family, geographic region, educational attainment, birthplace and year of arrival in Australia.

Persons who had held a job in the three years prior to 30 June 1997

Current labour force status, number of times retrenched in three years prior to 30 June 1997.

Persons who had been retrenched in the three years prior to 30 June 1997

Details of job most recently retrenched from including occupation, industry, full-time or part-time status, permanent or casual status, sector, and duration of employment; details of the retrenchment including reasons for retrenchment and whether given notice; and details of advice sought after retrenchment including agencies visited, assistance provided, whether attending an educational institution, and current labour force status.

SURVEY OUTPUT *continued*

Persons who had been retrenched in the three years prior to 30 June 1997 and currently employed

Details of main job including occupation, industry, full-time or part-time status, sector, permanent or casual status; and differences between current job and job retrenched from including whether changed occupation, whether changed industry, and whether changed full-time or part-time status.

Persons who had been retrenched in the three years prior to 30 June 1997 and currently unemployed

Type of work sought (full-time or part-time), duration of current period of unemployment, active steps to find work, whether would move if offered a suitable job, difficulties experienced finding work, offers of employment, number of spells of looking for work, and total time spent looking for work in previous 12 months.

20.12.6 Data collected in the survey are compiled according to concepts and definitions outlined in Chapter 2 (labour force status), Chapter 3 (employment), Chapter 4 (employment characteristics), Chapter 6 (unemployment) and Chapter 15 (socio-demographic information, sector and industry).

SCOPE

20.12.7 The scope of this survey is restricted to persons aged 18 to 64. The standard scope restrictions for supplementary surveys outlined in the overview part of Chapter 20 also apply to this survey.

DATA COMPARABILITY OVER TIME

20.12.8 The survey was conducted for the first time in 1997 and has not been conducted again since.

FURTHER INFORMATION

20.12.9 For further details contact the Assistant Director, Monthly and Multi-purpose Population Surveys Section, on Canberra (02) 6252 6660.

CHAPTER 20.13

SUCCESSFUL AND UNSUCCESSFUL JOB SEARCH EXPERIENCE

INTRODUCTION

20.13.1 This survey collects information about the job search experience of job seekers. It provides information on the ways in which people look for jobs, and particularly on the methods which prove ultimately to be successful. Information from this survey is used in the development and analysis of labour market policy. First conducted in 1982, the survey is currently conducted biennially in July.

20.13.2 This section describes only those aspects of the methodology that are unique to this survey, and hence, should be used in conjunction with the overview part of this chapter, which outlines the survey methodology used in supplementary surveys.

SURVEY OUTPUT

20.13.3 Data from the survey are published in *Successful and Unsuccessful Job Search Experience, Australia* (Cat. no. 6245.0). More detailed data are available on request.

20.13.4 Data from the survey relate to persons aged 15 years and over. The main population of interest in the survey is persons who had started or looked for a job for wages or salary during the 12 months prior to the survey date, excluding persons who started a new job with the same employer. Estimates are produced on an original basis only (i.e. not seasonally adjusted) and include:

Socio-demographic information

Sex, age, marital status, relationship in household, family, geographic region, educational attainment, birthplace and year of arrival in Australia.

Data on successful job seekers

Selected labour force characteristics, number of jobs started in the previous 12 months, method of job attainment, whether out of work before commencing a job, duration of job search, preferred occupation, and role of Centrelink or CES in job attainment.

Data on unsuccessful job seekers

Steps taken to find work, type of work looking for (occupation, full-time or part-time work), duration looking for work, and number of spells looking for work.

20.13.5 All data collected are compiled according to concepts and definitions outlined in: Chapter 2 (labour force status), Chapter 3 (employment), Chapter 4 (employment characteristics), Chapter 6 (unemployment) and Chapter 15 (socio-demographic information).

SCOPE

20.13.6 The scope of this survey is restricted to persons aged 15 and over. The standard scope restrictions for supplementary surveys outlined in the overview part of Chapter 20 also apply to this survey.

DATA COMPARABILITY OVER TIME

20.13.7 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and analysis methods are made as infrequently as possible. Over the time the survey has been conducted there have been some changes to the scope and sample size. These changes mean that the standard errors for the survey differ over time. The effect on estimates of the change in scope is considered to have been small. Changes affecting the Labour Force Survey may also affect this survey. Such changes are outlined in Chapter 19 and are not repeated here.

1982 Initial survey conducted (July) — preliminary data published in *Methods of Obtaining Jobs, Australia, Preliminary* (Cat. no. 6244.0) and final data in *Methods of Obtaining Jobs, Australia* (Cat. no. 6245.0).

Survey scope — persons aged 15 and over except those still attending school.

Data was from persons who started a wage or salary job over the period six months to July 1982.

1986 Survey conducted (June) — preliminary data published in *Successful and Unsuccessful Job Search Experience, Australia, Preliminary* (Cat. no. 6244.0) and final data in *Successful and Unsuccessful Job Search Experience, Australia* (Cat. no. 6245.0).

Data were collected from persons who looked for, or started, a wage or salary job over the previous 12 months.

Preliminary publication discontinued.

1990 Biennial collection commenced (July).

Survey scope — all persons aged 15 and over.

1994 Sample restricted to seven-eighths of the Labour Force Survey sample.

1998 Persons living in remote and sparsely settled areas excluded from scope.

Additional questions on active steps to find work, and on role of CES/Centrelink in job attainment, revised to reflect changes in the employment services market.

FURTHER INFORMATION

20.13.8 For further details contact the Assistant Director, Monthly and Multi-purpose Population Surveys Section, on Canberra (02) 6252 6660.

CHAPTER 20.14

UNDEREMPLOYED WORKERS

INTRODUCTION

20.14.1 This survey provides information about workers who are not fully employed, i.e. part-time workers who indicate that they would prefer to work more hours, and full-time workers who did not work full-time hours in the reference period for economic reasons (see Chapter 5). This group includes 'time-related underemployed' workers. Measures of underemployment supplement other measures of labour market slack such as the number of unemployed persons and discouraged job seekers.

20.14.2 While basic data on underemployment are available from the Labour Force Survey, this supplementary survey provides greater detail on the characteristics and the job search activities of this important segment of labour underutilisation. The data also provide important support to policy formulation, as well as for labour market forecasts, and are an important source for those concerned with employment policy initiatives, and benefit and support programs.

20.14.3 This section describes only those aspects of the methodology that are unique to this survey, and hence, should be used in conjunction with the overview part of this chapter, which outlines the survey methodology used in supplementary surveys.

SURVEY OUTPUT

20.14.4 Data from the survey are published in *Underemployed Workers, Australia* (Cat. no. 6265.0). More detailed data are available on request.

20.14.5 Data from the survey relate to persons aged 15 years and over. The largest population of interest in the survey is part-time workers wanting to work more hours. Estimates are produced on an original basis only (i.e. not seasonally adjusted) and include:

Socio-demographic information

Sex, age, marital status, household/family relationship, State or Territory of usual residence, educational attainment, birthplace and year of arrival in Australia.

Persons employed

Whether fully employed or not fully employed, full-time/part-time status, status in employment, number of hours worked in the reference week.

Part-time workers wanting to work more hours

Duration of current period of insufficient work, whether would move interstate if offered a suitable job, whether would move intrastate if offered a suitable job, whether would change occupation to work more hours, whether would change employer to work more hours, whether had been looking and/or was available to start additional work, steps taken to find additional work, whether registered with Centrelink, preferred number of extra hours, main difficulty in finding additional work, usual hours worked, preferred total hours.

SURVEY OUTPUT <i>continued</i>	20.14.6 Data collected in the survey are compiled according to concepts and definitions outlined in Chapter 3 (employment), Chapter 4 (employment characteristics), Chapter 5 (underemployment) and Chapter 15 (socio-demographic information).
SCOPE	20.14.7 The scope of this survey is restricted to persons aged 15 years and over. The standard scope restrictions for supplementary surveys outlined in the overview part of Chapter 20 also apply to this survey.
DATA COMPARABILITY OVER TIME	<p>20.14.8 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and analysis methods are made as infrequently as possible. Over the time the survey has been conducted there have been some changes to the scope and sample size. The effect on estimates of the change in scope is considered to have been small. These changes mean that the standard errors for the survey differ over time. Changes affecting the Labour Force Survey may also affect this survey. Such changes are outlined in Chapter 19 and are not repeated here.</p> <p>1985 Initial survey conducted (May) — data published in <i>Underemployed Workers, Australia</i> (Cat. no. 6265.0).</p> <p>1988 Survey conducted (May).</p> <p>1991 Survey conducted (May).</p> <p>1994 Annual collection commenced (September).</p> <p style="padding-left: 40px;">Sample restricted to no more than seven-eighths of the Labour Force Survey sample.</p> <p style="padding-left: 40px;">Standard Data Service replaced publication format (Cat. no. changed to 6265.0.40.001).</p> <p style="padding-left: 40px;">Data items added to the survey:</p> <ul style="list-style-type: none"> ■ whether part-time workers wanting more hours, who were available to start additional work within four weeks, were also available to start additional work last week. <p style="padding-left: 40px;">Data items no longer available:</p> <ul style="list-style-type: none"> ■ occupation; and ■ industry. <p>1996 Publication format replaced <i>Standard Data Service</i> (Cat. no. changed to 6265.0).</p> <p style="padding-left: 40px;">Data items added to the survey:</p> <ul style="list-style-type: none"> ■ duration of current period of insufficient work; ■ whether would move interstate if offered a suitable job; ■ whether would move intrastate if offered a suitable job; ■ whether would prefer to change occupation; ■ whether would prefer to change employer to work more hours; and ■ main difficulty in finding work.

DATA COMPARABILITY OVER
TIME *continued*

1997 Persons living in remote and sparsely settled areas excluded from scope.

FURTHER INFORMATION

20.14.9 For further details contact the Assistant Director, Monthly and Multi-purpose Population Surveys Section, on Canberra (02) 6252 6660.

CHAPTER 20.15

WORK RELATED INJURIES

INTRODUCTION

20.15.1 This survey collects information about persons who had experienced a work-related injury or illness in the previous 12 months. The survey was conducted for the first time in September 2000 and may be repeated in future years.

20.15.2 The purpose of the survey is to provide information on the extent of work-related injuries. Data collected in the survey will assist in monitoring programs and formulating policies in relation to workers' compensation and occupational health and safety.

20.15.3 This section describes only those aspects of the methodology that are unique to this survey, and hence, should be used in conjunction with the overview part of this chapter, which outlines the survey methodology used in supplementary surveys.

SURVEY OUTPUT

20.15.4 Data from the survey will be produced in the form of a set of tables or a publication. More detailed estimates will be available on request.

20.15.5 The main population of interest in the survey is persons who worked at some time during the previous 12 months and who suffered a work-related injury or illness. Estimates are produced on an original basis only (i.e. not seasonally adjusted) and include:

Socio-demographic information

Sex, age, marital status, relationship in household, family, geographic region, birthplace and year of arrival in Australia.

Labour force characteristics (current job and job in which injury was sustained, if different)

Occupation, industry, full-time or part-time status, and permanent or casual status.

Work-related injuries information

Number of work-related injuries or illnesses; the number of days/shifts absent from work; sources of financial assistance; whether applied for workers' compensation; and the reason for not applying for workers' compensation.

20.15.6 Data collected in the survey are compiled according to concepts and definitions outlined in Chapter 4 (employment characteristics), Chapter 14 (occupational injuries and diseases) and Chapter 15 (socio-demographic information and industry).

SCOPE

20.15.7 The scope of this survey is restricted to persons aged 15 years and over. The standard scope restrictions for supplementary surveys outlined in the overview part of Chapter 20 also apply to this survey.

DATA COMPARABILITY OVER
TIME

20.15.8 The survey was conducted for the first time in 2000.

FURTHER INFORMATION

20.15.9 For further details contact the Assistant Director, Monthly and Multi-purpose Population Surveys Section, on Canberra (02) 6252 6660.

CHAPTER 20.16

WORKING ARRANGEMENTS

INTRODUCTION

20.16.1 This survey collects information about the working time arrangements of employees. The survey was first conducted in August 1993 and has since been conducted in August 1995, August 1997 and November 2000.

20.16.2 Data from this survey are used to examine the differing working arrangements of employees, including the flexibility of working arrangements and shift work.

20.16.3 This section describes only those aspects of the methodology that are unique to this survey, and hence, should be used in conjunction with the overview part of this chapter, which outlines the survey methodology used in supplementary surveys.

SURVEY OUTPUT

20.16.4 Data from the survey are published in *Working Arrangements, Australia* (Cat. no. 6342.0). More detailed data are available on request.

20.16.5 The main population of interest is employees (excluding those working solely for payment in kind, and those aged 15–19 who are still attending school). Estimates are produced on an original basis only (i.e. not seasonally adjusted) and include:

Socio-demographic information

Sex, age, marital status, relationship in household, family, geographic region, birthplace and year of arrival in Australia.

Employees

Occupation, industry, sector, size of employees workplace, hours worked, full-time or part-time status, weekly earnings, permanent or casual status, trade union membership, standard employment benefits received (superannuation, holiday leave, sick leave, long service leave), whether start and finish times are fixed or negotiable, whether able to work extra hours in order to take time off, whether entitled to rostered days off, whether worked shift work in previous four weeks, whether works in a job-share arrangement, whether works overtime on a regular basis, whether can choose when to take paid holidays, days of the week usually works in main job, and whether had children under 12 years.

Employees working part-time in main job

Reason for working part-time hours.

Employees entitled to rostered days off

Whether can choose when to take a rostered day off.

Employees who work overtime on a regular basis

Hours of overtime usually worked, whether most recent period of overtime was paid, and method of payment.

Employees who worked shift work in the previous four weeks

Type of shift work.

Employees who had an absence from their main job of at least three hours in the last two weeks

Main reason for absence, type of leave taken, and whether leave was paid.

Employees who had children under 12 years

Age of youngest child, whether used childcare in previous four weeks (if not used then reason for not using childcare, if used then type of childcare), and number of employees in household.

20.16.6 Data collected in the survey are compiled according to concepts and definitions outlined in Chapter 4 (employment characteristics), Chapter 11 (earnings) and Chapter 15 (socio-demographic information, industry and sector).

SCOPE

20.16.7 The scope of this survey is restricted to persons aged 15 and over, excluding persons aged 15–19 still attending school. The standard scope restrictions for supplementary surveys outlined in the overview part of Chapter 20 also apply to this survey.

DATA COMPARABILITY OVER TIME

20.16.8 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and analysis methods are made as infrequently as possible. Over the time the survey has been conducted there have been some changes to the scope and sample size. These changes mean that the standard errors for the survey differ over time. The effect on estimates of the change in scope is considered to have been small. Changes affecting the Labour Force Survey may also affect this survey. Such changes are outlined in Chapter 19 and are not repeated here.

1993 Biennial survey commenced — data published in *Working Arrangements, Australia* (Cat. no. 6342.0).

Survey scope — persons aged 15 and over.

Related data published prior to 1993 include:

- *Alternative Working Arrangements, Australia* (Cat. no. 6341.0). Conducted in March to May 1982 and then again in September to November 1986, this survey collected information about employees current working arrangements and preferences for changes to these arrangements;
- *Working Hours Arrangements, Australia* (Cat. no. 6338.0) and *Working Hours Arrangements, Australia, Supplementary Tables* (Cat. no. 6339.0). Conducted in February to March 1981, this survey collected information about employees current working patterns;
- *Work Patterns of Employees, Australia* (Ref. no. 6.70), conducted in November 1976; and
- *Evening and Night Work, Australia* (Cat. no. 6329.0), also conducted in November 1976.

DATA COMPARABILITY OVER
TIME *continued*

1995 Sample restricted to no more than seven-eighths of the Labour Force Survey sample.

Persons aged 15–20 years attending school excluded from scope.

Standard Data Service replaced publication format (Cat. no. changed to 6342.0.40.001).

1997 Persons living in remote and sparsely settled areas excluded from scope.

Publication format replaced *Standard Data Service* (Cat. no. changed to 6342.0).

Following data items excluded:

- whether had a rostered day off in the last four weeks;
- hours worked in most recent shift; and
- number of days worked in a row in most recent period of shift work.

2000 Following data items added:

- hours worked in most recent shift;
- whether works in a job-share arrangement;
- number of days usually worked each fortnight;
- main reason usually works overtime; and
- preference to work more, less or the same number of hours usually worked.

Following data items excluded:

- size of employee's workplace;
- weekly earnings (in main job);
- superannuation coverage; and
- provision of paid long service leave.

FURTHER INFORMATION

20.16.9 For further details contact the Assistant Director, Monthly and Multi-purpose Population Surveys Section, on Canberra (02) 6252 6660.

CHAPTER 21

SURVEY OF EMPLOYMENT ARRANGEMENTS AND SUPERANNUATION

INTRODUCTION

21.1 In recent years there has been increasing demand for information on the diversity of working arrangements in the Australian labour market, and on superannuation. The Survey of Employment Arrangements and Superannuation (SEAS) was conducted from April to June 2000, in a sample of households across Australia, in order to provide information that will inform the debate in these areas. It is planned to conduct the survey again in 2005.

21.2 The aims of the SEAS were to describe:

- the diversity of working arrangements in the Australian workforce; and
- people's superannuation arrangements.

21.3 SEAS focused on those characteristics of employment considered important in distinguishing newer and emerging working arrangements from the prevalent, but declining, full-time ongoing job with regular hours and paid leave entitlements. These characteristics include:

- nature of employment (e.g. wage and salary earner, in own business, working on a fixed term contract);
- job duration and expected future job duration;
- access to paid leave;
- number of hours worked, and preferred hours, indicating overwork and underemployment;
- regularity of hours worked, and whether any hours were worked on weekends or in the evening or over night;
- working arrangements such as multiple jobholding, shiftwork, work done at home;
- earnings (amount and whether they vary); and
- preferred work patterns.

21.4 The focus of the superannuation section of the survey was on:

- the type of superannuation coverage that people had (e.g. employer or personal contributions, or both);
- how much people and their employers were contributing to superannuation, and how much money people had accrued in superannuation;
- reasons for not making personal contributions to superannuation; and
- the amount of any lump sums recently received from superannuation, and how the lump sum was used.

21.5 First results from SEAS were released in *Employment Arrangements and Superannuation, Australia* (Cat. no. 6361.0), in March 2001. This publication builds on work done as part of the supplement to the Labour Force Survey, the Forms of Employment Survey, published in *Forms of Employment, Australia* (Cat. no. 6359.0), to identify major employment categories in the Australian workforce. It also contains a wide range of information considered important in describing newer and emerging forms of working arrangements, and some information about superannuation coverage.

21.6 Financial superannuation information, including the amount being contributed to superannuation and the amount of superannuation accrued, was supplemented over an extended period by data provided by superannuation funds and administrators. Funds and administrators provided information only for those individual respondents who authorised them to do so. This information will be released for the first time in *Superannuation: Coverage and Financial Characteristics, Australia* (Cat. no. 6360.0) later in 2001.

21.7 The main population of interest is employed persons. Estimates are produced on an original basis only (i.e. not seasonally adjusted) and include:

Socio-demographic information

Sex, age, marital status, relationship in household, family, geographic region, housing tenure, educational attainment, birthplace and year of arrival in Australia.

Labour force data

Labour force status.

People employed

Whether multiple job holder, status in employment, employment type, whether working on a casual basis (employees only), whether working on a contract basis (owner managers only), occupation, industry, time in job or business, whether job has a set finishing date, hours usually worked, hours worked at home, extra hours and overtime worked, preferred working hours, working patterns, preferred working patterns, paid leave entitlements, workplace injuries or illnesses sustained, training, work done at home, shiftwork, whether on call or stand-by, and whether paid by an employment agency.

People not currently working who had worked in the last 12 months

Some details of last job held.

Superannuation

Whether contributing to superannuation or drawing on superannuation; number of superannuation accounts and types of accounts; type of contributions, including personal, employer, spouse; amount being contributed, and amount accrued in superannuation; for those not making personal contributions, reasons for not personally contributing; and whether received a lump sum recently, and if 'yes' how the lump sum was used.

Income

Earnings for each job (up to two jobs); annual income; main source of income; and all sources of income.

21.8 Most data relate to individual persons. Some data are also available for households, families and income units.

SCOPE

21.9 The SEAS covered persons aged 15–69 years who were usual residents of private dwellings in Australia, excluding:

- overseas residents in Australia;
- certain diplomatic personnel of overseas governments, customarily excluded from the Census and estimated resident population counts;
- members of non-Australian defence forces (and their dependants) stationed in Australia;
- persons visiting private dwellings;
- persons living in remote and sparsely settled areas; and
- persons living in special dwellings.

21.10 Usual residents of selected private dwellings were included in the survey unless they were going to be absent from the dwelling until the end of the enumeration period. The exclusion of persons living in remote and sparsely settled areas has only a minor impact on any aggregate estimates that are produced for individual States and Territories, except the Northern Territory.

SURVEY METHODOLOGY

21.11 Most information was obtained in the SEAS by personal interview.

21.12 To maximise the quality of the superannuation data obtained from the survey, respondents were asked to refer to a relevant record (payslip and/or superannuation statement) to report amounts contributed to superannuation, and amounts accrued in superannuation. This information was supplemented by data provided by superannuation funds in cases where the respondent was unable to refer to the relevant record(s) and was willing to authorise their superannuation fund to provide the required information. For more information, refer to *Superannuation: Coverage and Financial Characteristics, Australia* (Cat. no. 6360.0) scheduled for release in the second half of 2001.

SAMPLE DESIGN

21.13 A probability sample design was used. The sample was drawn from the Population Survey Master Sample and excluded special dwellings and remote and sparsely settled strata. See Chapter 17 for further information on sample design used in household surveys.

21.14 The initial sample contained approximately 18,000 private dwellings, or 14,000 after sample loss.

ESTIMATION METHODS

21.15 Post-stratification estimation was used for person-level estimates. The post-stratification variables used to weight person-level estimates were:

- State;
- part of State;
- sex; and
- age.

21.16 Household, family and income unit estimates were also produced as part of SEAS. To obtain these estimates, weights for each household in the sample were calibrated with independent estimates of the number of households in Australia. The household benchmarks used to weight the number of households in the sample were:

- State;
- part of State; and
- household composition.

21.17 The benchmarks used for persons and households relate only to persons living in private dwellings, and therefore do not (and are not intended to) match estimates of the total Australian resident population obtained from other sources.

RELIABILITY OF THE ESTIMATES

21.18 Estimates from SEAS are subject to both sampling and non-sampling error (see Chapter 16 for more detail). The relative standard errors of survey estimates are included in each SEAS publication, and survey estimates with high relative standard errors are flagged with asterisks.

DATA COMPARABILITY OVER TIME

21.19 The 2000 survey was the first SEAS collection. Some of the information collected as part of SEAS is very similar to that collected as part of the Forms of Employment Survey and, in some cases, similar data have been previously collected as part of the wider labour force supplementary survey program. However, allowances should be made for sampling variability, and for differences in scope and survey methodology.

FURTHER INFORMATION

21.20 For further details contact the Assistant Director, Labour Market Section on Canberra (02) 6252 7437.

CHAPTER 22

SURVEY OF EMPLOYMENT AND UNEMPLOYMENT PATTERNS

INTRODUCTION

22.1 The Survey of Employment and Unemployment Patterns was a longitudinal survey covering the reference period September 1994 to September 1997. Data for the survey were collected in three waves with each wave covering a 12 month reference period.

22.2 Longitudinal surveys involve collecting data from the same respondents at intervals over an extended period of time, with the information collected on each occasion linked together to provide insights into the transitions over time.

22.3 In May 1994 the Government released a White Paper on Employment and Growth, titled 'Working Nation'. The overriding objective of Working Nation was to provide a comprehensive program to boost jobs growth, increase skill formation in the workforce, and ensure the long-term unemployed were not left behind during the economic recovery.

22.4 The central feature of the Working Nation initiatives was the 'Job Compact'. The Job Compact was targeted at the long-term unemployed, and provided individual case management and access to a range of labour market programs leading to a firm offer of a job placement for 6 to 12 months. The assessment of these initiatives was the driving force for the creation of the survey.

22.5 The objectives of the survey were to provide information on the dynamics of the labour market and to assist in the assessment of the Working Nation initiatives.

SURVEY OUTPUT

22.6 A range of data was made available from the survey in the form of publications, unit record data, special tabulations and occasional papers. Broad estimates were published in *Australians' Employment and Unemployment Patterns, 1994 to 1997* (Cat. no. 6286.0).

Types of Variables

22.7 As part of the survey a wide range of labour market related data was collected. Variables were grouped into five categories — fixed, dynamic, episodal, occurrence, and summary.

- *Fixed variables* were data items not inherently subject to change, and were therefore only collected in the first wave. They included: sex, age, birthplace, year of arrival, employment history.
- *Dynamic variables* were subject to change over time, and were updated each year at the time of interview. They included: geographic location, housing, labour force status, current study, educational attainment.
- *Episodal variables* were collected in respect of a particular episode, defined as a particular activity or occurrence within a reference period or spanning more than one reference period. Three types of episodes were identified: episodes of labour market activity; episodes of labour market support from the then Department of Employment, Education, Training and Youth Affairs (DEETYA); and episodes of income support. See below for further details.

Types of Variables *continued*

- *Occurrence variables* comprised periods of in-house training and external training, and employment offers.
- *Summary variables* were data items that summarised one or more episodal variables.

EPISODES OF LABOUR MARKET ACTIVITY

22.8 Episodes of labour market activity encompassed every day of the reference period and comprised periods of working, looking for work, or absence from the labour market (i.e. neither working nor looking). If a respondent had two or more jobs at the same time, each was treated as a separate episode. A change of employer constituted a new episode. An episode of working would overlap with an episode of looking for work if a respondent was working and looking for work at the same time. However, neither episodes of work nor episodes of looking for work could overlap with episodes of absence from the labour market.

EPISODES OF DEETYA LABOUR MARKET SUPPORT

22.9 Episodes of DEETYA labour market support comprised periods of registration with the then Commonwealth Employment Service (CES), case management and Labour Market Program participation. Data for these episodes were provided by DEETYA and required the respondents' consent.

EPISODES OF INCOME SUPPORT

22.10 Episodes of income support comprised periods during which the respondent received income support. Data for these episodes were provided by the then Department of Social Security (DSS) and required the respondents' consent.

Levels of Output

22.11 The focus of the survey was on the selected respondent, and so detailed information at the income unit, family and household level is not available. However, because a limited amount of information was collected from the respondent about their spouse and other usual residents, some broad household and family level information is available.

Survey Output

22.12 Estimates from the survey include:

Socio-demographic data

Sex, age, marital status, birthplace, year of arrival in Australia, Aboriginal or Torres Strait Islander origin, educational attainment, language use, disabilities, housing tenure, household/family structure, and geographic region.

Employment

Labour force status, trade union membership, and employment history.

Survey Output *continued*

Episodes of working

Start and finish date of each episode, status in employment, hours worked, permanent/casual, industry, occupation, earnings, sector, job preferences, and method of job attainment.

Episodes of looking for work

Start and finish date of each episode, whether looking for full-time or part-time work, active steps taken to find work, difficulties in finding work, mobility, and reservation wage.

Episodes of absence from the labour market

Start and finish date of each episode, availability to start work, and main activity.

Employment offers

Offers of employment, whether offer was accepted, and reasons for not accepting offer.

Training

Types of training course, time spent on course, field of course, and course outcome.

Income

Income, and sources of annual income.

Labour Market Support from DEETYA

Start and finish date of CES registration, reason ceased CES registration; type of Labour Market Programs, start and finish date of Labour Market Program, post-program outcomes; start and finish date of case management, case management outcome; and reading, writing and speaking proficiency.

Income support from DSS

Start and finish date of income support, type of income support, and amount of income support.

The Target Population

22.13 The target population consisted of those people considered to be most likely to be currently eligible for labour market assistance or likely to become eligible for assistance in the near future. It was determined after consultation with government officials, labour market analysts and other users and was designed to enable the survey objectives to be met in the most efficient manner.

The Target Population
continued

22.14 In broad terms, the target population comprised persons resident in private dwellings who were aged 15 to 59. Within this broad population, there were three subgroups:

- Jobseekers — comprising unemployed persons, part-time workers looking for a job with more hours, and others indicating a desire to join the labour force in the near future. The purpose of this group was to facilitate the study of differences between the outcomes of Labour Market Program participants and those of 'similar' groups not participating in the Job Compact.
- Population reference group — comprising a random sample of the population aged 15 to 59. It was included because of the need to have a reference group of the general population so that outcomes of various programs could be assessed in the context of general labour market conditions.
- Labour Market Program participants — a sample of persons who commenced a Job Compact job placement and/or commenced a training program between July 1994 and February 1995. This component of the sample was included to ensure that the initial sample included a sufficient number of Job Compact participants.

SCOPE AND COVERAGE

Scope

22.15 The scope of the survey was all persons aged 15–59 years except:

- overseas residents in Australia;
- certain diplomatic personnel of overseas governments, customarily excluded from the Census and estimated resident population counts;
- members of non-Australian defence forces (and their dependants) stationed in Australia; and
- certain remote areas in the Northern Territory and Queensland which were difficult or costly to enumerate.

22.16 The survey was conducted in urban and rural areas in all States and Territories and only included persons living in private dwellings.

Coverage

22.17 For the Jobseeker and Population reference group subgroups, coverage rules were applied to ensure each person in scope was associated with only one dwelling and hence had only one chance of selection. Coverage rules were not needed for the Labour Market Program subgroup as specific people had already been identified as members of this subgroup.

SURVEY METHODOLOGY

Panel Establishment and Data Survey

22.18 Screening interviews were conducted between 24 April and 7 July 1995, for simplicity referred to as 'May 1995', across approximately 69,000 households. The purpose of these interviews was to identify respondents falling into the Jobseeker subgroup, and to establish the Population reference group. The screening interviews were conducted on an ARA basis. Following the identification of a target group member, personal interviews were conducted with potential respondents. Of those identified, 95% were recruited.

22.19 The Labour Market Program subgroup was not asked screening questions, as specific people had already been identified as members of this subgroup.

Collection Waves

22.20 There were three collection waves for the survey:

- wave 1 — reference period 5 September 1994 to 3 September 1995;
- wave 2 — reference period 4 September 1995 to 1 September 1996; and
- wave 3 — reference period 2 September 1996 to 31 August 1997.

22.21 Data for each collection wave were collected over a six week period following the end of the reference period. Questions relating to episodal data required the respondent to recall for what period(s) they had been working, looking for work or absent from the labour market. To obtain occurrence data, respondents needed to recall details of training courses and job offers received in the past 12 months.

22.22 Computer Assisted Interviewing was used in the second and third waves.

Use of Documentary Sources (Administrative Data)

22.23 With respondents' consent, data collected directly from them during the interview were supplemented with data about CES registration, case management and Labour Market Program participation (from DEETYA) and data about income support (from DSS). This minimised the interview time for respondents and ensured that accurate information was available about their involvement with labour market assistance programs and about their receipt of income support.

SAMPLE DESIGN

22.24 A probability sample design was used. The Jobseeker and Population reference group samples were drawn from the Population Survey Master Sample and excluded special dwellings and the remote and sparsely settled stratum. The Labour Market Program participants sample was drawn from a list of such participants provided by DEETYA.

Jobseeker Subgroup

22.25 The design used for the Jobseeker subgroup sample was the same as that used in the Labour Force Survey (see Chapter 19 for more detail). However, three major adjustments were made to the sample selection methodology:

- CDs were selected in the survey sample with unequal probabilities according to the number of unemployed persons resident in the CD at the time of the 1991 Census enumeration. That is, CDs with a high proportion of resident unemployed persons in August 1991 were given a higher probability of selection in the survey sample than CDs with a low proportion of unemployed persons. The weighting scheme for the Jobseeker subgroup accounted for the unequal probability sampling scheme.
- More dwellings than usual were selected in the survey sample to be screened for Jobseekers — roughly twice as many dwellings as are in the Labour Force Survey.
- The sample was designed to be more geographically clustered than the Labour Force Survey. Such clustering produces a substantial saving in survey field costs for a small loss of sample efficiency.

22.26 For the Jobseeker subgroup, all persons aged 15 to 59 years in selected dwellings were 'screened' to determine whether or not they were a 'Jobseeker'. Only Jobseekers were recruited to the Jobseeker subgroup.

Labour Market Program Participants

22.27 The sample methodology for this subgroup was that of a list-based probability sample. DEETYA provided the ABS with a list of eligible persons. In order to produce a more efficient sample, the list was stratified into homogenous (similar) groups (strata) and then a random sample was selected from each group. The stratification variables used were: State of usual residence, length of unemployment, and job placement/training status. In total 2,300 people were selected. This number allowed for various types of sample loss, such as persons refusing to allow DEETYA to pass their name to the ABS, incorrect addresses, and overlap with the Labour Force Survey sample.

22.28 Procedures were put in place to ensure that the probability sample chosen for this subgroup was in some sense geographically close to the Jobseeker subgroup and the Population reference group (see below), but not overlapping these subgroups, nor overlapping the Labour Force Survey or any other ABS household survey.

Population Reference Group

22.29 A random subsample of the dwellings selected for screening in the Jobseeker sample was selected in the Population reference group dwelling sample. From each dwelling in the Population reference group sample, a randomly selected in-scope person was selected in the Population reference group, if such a person existed (some dwellings selected in the Population reference group dwelling sample did not contain any persons in the population of interest).

Population Reference Group
continued

22.30 It is worth noting that, using this sampling methodology, it was possible for a person to be selected both in the Jobseeker subgroup and the Population reference group.

Panel Size and Maintenance

22.31 The ability to maintain contact with a relatively high proportion of the panel was critical to the usefulness of the survey data. A number of strategies were put in place to help the ABS stay in contact with respondents between interviews. These included: 'change of details' cards for respondents to advise a new address, etc.; a toll-free telephone number for the respondent to call; asking the respondent for contact details of up to three people who were likely to know the respondent's whereabouts; and regular mail contact throughout the survey. However, it was inevitable that some non-response would occur when people were unwilling or unable to cooperate, or when they could not be contacted.

22.32 The attrition rate is the percentage of previous wave respondents who did not respond in the current wave. Attrition between waves caused a permanent drop in the sample size as the survey did not replace non-respondents. Although the weighting procedure for each wave partly corrected for attrition in the sample, there are some small differences in estimates between publications for each wave. Analysis of the attrition shows that higher than average sample loss occurred for males, young people, and people who were renting accommodation. Table 22.1 shows the size and composition of the panel at waves 1, 2 and 3, and the overall attrition rate.

22.1 COMPOSITION AND SIZE OF THE PANEL (PERSONS)

Subgroup	Wave 1	Wave 2	Wave 3	Attrition rate (Wave 1–Wave 3) (%)
Jobseekers(a)	5,488	4,779	4,261	22.3
Labour Market Program participants	1,019	888	775	23.9
Population reference group	2,311	2,120	1,983	14.2

(a) Includes some Jobseekers who were also part of the Population reference group.

ESTIMATION METHODS

22.33 Calibration estimation techniques were used. Estimation was undertaken separately for the three components of the panel. Longitudinal weights were derived at each wave, benchmarking back to the population size/composition at the time of panel establishment. The use of longitudinal weights had the effect of always producing population estimates that related to the initial point of recruitment.

22.34 Labour Force Survey estimates (employed, unemployed and not in the labour force), were used to supplement independent demographic benchmarks (State/Territory of usual residence, part of State of usual residence, age and sex).

ESTIMATION METHODS <i>continued</i>	22.35 Aside from these 'standard' weights, it was also necessary to provide separate DSS, DEETYA and combined DSS/DEETYA weights. Although these weights produced similar estimates to the standard weights, their use was limited to analysis that used data from administrative sources. This is because these weights apply to a smaller sample; for example, the combined DEETYA and DSS weight should only be used in analysis that involves both DEETYA and DSS data.
RELIABILITY OF THE ESTIMATES	22.36 Estimates from the survey were subject to both sampling and non-sampling error (see Chapter 16 for more detail). The relative standard errors of survey estimates were published in each survey publication.
DATA COMPARABILITY OVER TIME	22.37 This was a one-off survey.
FURTHER INFORMATION	22.38 For further details contact the Assistant Director, Labour Market Section on Canberra (02) 6252 7437.

CHAPTER 23

METHODS USED IN ABS BUSINESS SURVEYS

INTRODUCTION

23.1 This chapter provides an overview of the survey methodology used in ABS business surveys, particularly the labour-related business surveys. It should be used in conjunction with Chapter 16, which provides a broad overview of ABS survey methodology, and Chapters 24–31 which provide more detail on aspects of survey design relevant to specific labour-related business surveys.

ABS BUSINESS REGISTER

23.2 The ABS maintains an integrated register of businesses and other organisations (government departments, non-profit organisations etc.) operating in Australia (referred to as the ABS Business Register) which is the source of survey frames for most ABS surveys of businesses. The business register has about 700,000 businesses recorded on it. The largest businesses have complex operating structures which are recorded on the register, but the vast majority of businesses on the business register have simple operating structures. Information recorded on the business register includes: location of the business (State/Territory), sector (public/private), industry in which the business is mainly engaged, and its employment. Approximately 30,000 new businesses are added to the business register each quarter with a similar number ceasing to operate and being removed.

23.3 In the past, the Australian Taxation Office (ATO) was the primary source of information for detecting and adding new businesses to the register, and for identifying businesses to be removed from the register, for all industries except Agriculture¹. When businesses registered with the ATO as new employers under the Group Employer registration process, the information about the business was passed on to the ABS. The new business was loaded to the business register, after checking that it was not already there, and following the collection of additional information about the business where necessary. Similarly, information about businesses which had their Group Employer status cancelled, or which had not remitted Group PAYE tax (on behalf of their employees) for at least five quarters, was passed on to the ABS. The business was removed from the register, following various other checks.

1 The primary source for detecting and adding new businesses to the ABS Business Register in the Agriculture industry was the agricultural census, which identified new farm businesses.

23.4 In recent times the Australian Business Register (ABR) has been established by the ATO as part of implementation of The New Tax System. In the future, the ABR will become the primary source of information for adding new businesses to the ABS Business Register, and for the removal of ceased businesses from the ABS register, across all industries. Under The New Tax System, introduced from 1 July 2000, most² businesses, whether employing or non-employing, need to register with the ATO for certain taxation obligations. Businesses on the ABR, along with information maintained by the ATO about those businesses, will be included on the ABS Business Register. Additional information will be collected and recorded for some businesses (generally those with more complex operating structures). Legislation governing the allocation and use of the Australian Business Number (ABN) requires notification to the ATO of the cessation of businesses. Businesses no longer operating will be removed by the ATO from the ABR, and will then be able to be removed from the ABS Business Register.

23.5 Changes arising from The New Tax System, which also include significant innovations as a result of the Review of Business Taxation (Ralph Review), may impact on business structures. In order to minimise the number of disruptions to published series as a result of these wide ranging changes, the ABS aims to keep changes to a minimum until 2002 when the ABS will start using the ABR, and related information held by the ATO about the Australian business population, for its business surveys.

23.6 Until May 2002, the ABS will continue to use information from the ATO about new and ceased employer businesses to update the ABS Business Register. However, in the interim, the Group Employer registration process has been replaced by a 'Pay as You Go Withholding' registration process, which uses a concept of 'payees' rather than employment, and draws in contract labour arrangements.

23.7 In the past, the scope of the ABS Business Register was primarily based around the concept of employing businesses, defined as those clients of the Australian Taxation Office with a relationship as a Group Employer taxpayer. However, in addition to employing businesses, there were also other businesses on the register. The majority of these fell into the following categories:

- non-employing businesses with estimated value of agricultural operations greater than \$5,000;
- non-employing unincorporated joint ventures;
- representatives of foreign companies operating in Australia; and
- non-employing components of employing businesses.

2 The threshold for compulsory registration for GST collection and hence for an ABN (and hence recording in the ABR) is based on expected annual turnover: 'not for profit' organisations \$100,000; and other businesses \$50,000 (taxi operators have no threshold). Below these thresholds, there is no compulsion to register for an ABN and be recorded on the ABR. However, businesses below the threshold may volunteer to register and there are tax incentives for doing so.

Scope of the ABS Business Register *continued*

23.8 The interim system for updating the ABS Business Register in place between 1 July 2000 and May 2002, means that new businesses will be considered to be employing businesses and added to the ABS register if they employ 'payees'. This change is expected to have a minimal impact on the scope.

Statistical Units Defined on the ABS Business Register

23.9 A set of definitions of statistical units is used to delineate businesses for statistical purposes on the ABS Business Register. The statistical units model for economic units (businesses and other organisations) described below is the one currently in use. A revised model (not discussed below) will be used from May 2002.

23.10 The units model underlying the business register is based on the concept of the *legal entity*³. Most of the administrative and other sources used to update the register relate to legal entities. However, for larger businesses in particular, several legal entities under common ownership and/or control may be operated jointly as a single 'business entity'. Large businesses may also be organised into several operating divisions for day to day management purposes, which may not be delineated along legal lines. The economic units model distinguishes between five basic units which represent the different levels of legal and management structures within a business organisation. The units identified on the ABS Business Register are described below.

Enterprise Group

The unit covering all the operations in Australia of one or more legal entities under common ownership and/or control. It includes all the operations in Australia of legal entities that are related in terms of the current corporations law. These may be companies or other legal entities such as trusts and partnerships.

Enterprise

The unit covering all legal entities within an enterprise group that are classified to the same institutional sector within the Standard Institutional Sector Classification of Australia (SISCA). For further information on SISCA refer to Chapter 15.

Management Unit

The largest type of unit within an enterprise group which controls its productive activities and for which accounts are kept. From these accounts detailed annual and sub-annual (at least quarterly) revenue, expenses, stocks, capital expenditure and employment data must be available to the ABS. The unit maintains Australian and New Zealand Standard Industrial Classification (ANZSIC) homogeneity at the sub-division (2 digit) level. For further information on ANZSIC refer to Chapter 15.

3 A legal entity is a unit covering all the operations in Australia of an entity that possesses some or all of the rights and obligations of individual persons or corporations; or that behaves as such, in respect of those matters of concern for economic statistics. Examples of legal entities for statistical purposes include companies, partnerships, trusts, sole proprietorships, government departments, and statutory authorities.

Statistical Units Defined on
the ABS Business Register
continued

Establishment

The smallest type of accounting unit within a Management Unit, within a State or Territory, which controls its productive activities. From its accounts the full range of detailed revenue, expense, employment and stocks data must be available to the ABS at least annually. The unit maintains ANZSIC homogeneity at the class (4 digit) level. For further information on ANZSIC refer to Chapter 15.

Location

A site, occupied by an establishment, at or from which the establishment engages in productive activity on a relatively permanent basis.

23.11 The statistical unit used most commonly in the labour-related business surveys is the Management Unit/State (MUS). The MUS is not a standard statistical unit on the ABS Business Register. A separate unit is created for each State or Territory in which a Management Unit operates, and comprises all the activities of the Management Unit within that State or Territory. In nearly all cases the MUS coincides with the legal entity owning the business (i.e. company, partnership, trust, sole proprietor etc.). In the case of larger diversified businesses, however, there may be more than one Management Unit, each coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive financial accounts are compiled for it.

23.12 In most labour-related business surveys some large MUSs are disaggregated into 'special reporting units'. Special reporting units are created in order to collect information from the level within the business structure at which it is available. In most cases, all special reporting units for selected MUSs are enumerated. However, for some MUSs consisting of a large number of similar special reporting units, a random sample of special reporting units may be taken.

The Common Frame

23.13 Each quarter a snapshot, referred to as the common frame, of the ABS Business Register is taken. The snapshot of the register is used as the frame for all subannual business surveys covering the reference quarter for which the snapshot was extracted. This common timing ensures that populations and sampling information are consistent across all surveys with a common reference period.

New Business Provisions

23.14 New business provisions are adjustments made to survey estimates to account for births and deaths of businesses that have occurred up to the end of the survey reference period but which are not reflected on a survey frame (e.g. because of lags in processing births and deaths of businesses to the ABS Business Register or because of births and deaths which occur after the snapshot is taken but before the end of the survey reference period). The calculation of the new business provisions makes assumptions about the number of new Pay As You Go Withholding registrants which will result in births of Management Units on the ABS Business Register, and the average contribution of these birthed units to the item being estimated. The methodology assumes that the contribution of the new business is the same as the average contribution to estimates of like units already on the frame.

SCOPE AND COVERAGE OF ABS BUSINESS SURVEYS

23.15 The scope of ABS business surveys varies across collections. Most surveys using the ABS Business Register as a frame have either an industry orientation (e.g. monthly retail surveys) or an economy-wide orientation (e.g. the Economic Activity Survey and the labour-related business surveys). The scope of surveys that use the business register as a frame is restricted by the scope and coverage of the register itself (see discussion above). Surveys with broader or different scope are required to either supplement the business register for their frame, or use frames that have been constructed independently of the register by using relevant alternative data sources.

23.16 While the scope of ABS labour-related business surveys varies across collections, most are restricted to employing businesses. However, the following groups of employing businesses are generally excluded.

- Employing businesses in the agriculture, forestry and fishing industry (ANZSIC Division A). Units in this industry are excluded, primarily because a very high proportion of agricultural enterprises have no employees. It would be disproportionately costly to survey a sufficient number of these enterprises to obtain a sample of employees large enough to adequately represent this industry.
- Private households employing staff (ANZSIC Group 970). There is incomplete coverage of private households employing staff on the ABS Business Register as not all such households are required to register with the Australian Taxation Office as Group Employers (or for Pay As You Go Withholding). It is due to their incomplete coverage on the business register that these units are excluded from the scope of the labour-related business surveys.
- Foreign embassies, consulates etc. in Australia (ANZSIC Group 813). Practical collection difficulties and the low numbers of Australian employees involved have resulted in the exclusion of this industry group from the labour-related business surveys. Furthermore, the System of National Accounts does not consider these agencies to be resident units of the Australian economy, with the result that the associated compensation of employees (including those employees who are usual residents of Australia) is not a component of Australian GDP.

STATISTICAL UNITS USED IN ABS BUSINESS SURVEYS

23.17 The statistical units used in ABS business surveys vary across collections.

23.18 For business surveys using the ABS Business Register as a survey frame, the sampling unit most commonly used is the Management Unit. For these surveys, the sampling unit (e.g. the Management Unit) is often the same as the other statistical units (e.g. reporting and collection units) used in the survey. However, this is not always the case and in some surveys the statistical units differ.

23.19 For business surveys using alternative frames, the sampling unit used usually corresponds to one of the economic units defined on the ABS Business Register.

STATISTICAL UNITS USED IN
ABS BUSINESS SURVEYS
continued

23.20 For labour-related business surveys, a variety of statistical units are used. As most labour-related business surveys use the ABS Business Register as their frame, the sampling unit most commonly used is the MUS. The collection and reporting units used in the labour-related business surveys usually correspond to the sampling unit.

COLLECTION METHODS
USED IN ABS BUSINESS
SURVEYS

23.21 Most ABS business surveys use either the mail-out/mail-back or the telephone interview collection methodology. A number of surveys use administrative by-product data. Please refer to Chapter 16 for further explanation of different collection methodologies.

23.22 Most business surveys, including the labour-related business surveys, have intensive follow-up procedures for non-response. Follow-up normally involves reminder letters and may also involve telephone contact. 'Priority' intensive follow-up is used for a number of surveys; this involves targeting the following types of non-responding units:

- units that contribute significantly to estimates;
- newly selected units (e.g. in ongoing surveys); and
- units that did not respond in the previous survey cycle.

SAMPLE DESIGN USED IN
ABS BUSINESS SURVEYS

23.23 Two types of business surveys are undertaken by the ABS: censuses, and probability sample surveys. Most ABS business surveys (whether they be censuses or sample surveys), use the ABS Business Register to create their survey frame. With the exception of the Industrial Disputes collection, all labour-related business surveys construct their frame from the ABS Business Register. An independent frame is constructed each month for the Industrial Disputes collection.

23.24 Once a survey frame has been compiled, whether it be from the ABS Business Register or another source, information is collected from businesses on the frame. In a census, information is collected from all of the units on the frame. In the case of probability sample surveys, information is collected from a sample (or subset) of units on the frame.

Sample Selection

23.25 When a sample is to be selected for an ABS business survey, a frame must first be drawn from the common frame (see paragraph 23.13). The survey frame is then divided (stratified) into groups (strata) with similar characteristics. The stratification variables used in the labour-related business surveys include State, sector (public/private), industry and employment size. Once the frame has been stratified, a small number of strata are completely enumerated, while for each of the remaining strata an equal probability sample is taken. Surveys using multi stage selection processes (such as the Survey of Employee Earnings and Hours) use additional steps to select their sample.

23.26 There are various constraints placed on sample selection. For most labour-related business surveys, sample selection is constrained by ensuring that the portion of the sample that is not completely enumerated is rotated, and that small businesses will be in the sample for no more than 12 successive quarters (for quarterly surveys). Some surveys are further constrained by ensuring that there is either minimal or maximal overlap with other surveys.

23.27 The level of sample rotation within surveys, and sample overlap between surveys, is controlled through the use of a system of synchronised sampling. The technique relies on assigning a permanent random number between 0 and 1 to each unit on the ABS Business Register. Samples selected from frames constructed from the ABS Business Register are restricted to those units with random numbers that lie in a certain interval. Rotation control is achieved by moving the interval to the right, and overlap is achieved by constraining the selection interval for each survey to move within a specific range within the larger (0,1) interval.

23.28 The sample size varies across ABS business surveys. In determining the minimum required sample size for each survey the following factors are taken into consideration:

- the required level of accuracy from the survey;
- the numbers of nil and defunct units on the survey frame (estimated from data obtained from other surveys);
- the expected level of non-response (estimated from previous surveys); and
- total cost and available resources.

23.29 The sample is allocated across the survey strata using techniques to minimise the variance of the estimates being produced for a fixed cost, or to minimise the cost for a fixed variance. This process is referred to as optimal allocation.

ESTIMATION METHODS USED IN ABS BUSINESS SURVEYS

23.30 Once survey data have been obtained, they must be expanded to values that represent the whole (target) population. As discussed in Chapter 16, the estimation procedure is essentially the application of weights to the individual survey records. For ABS business surveys, the values of these weights are determined with respect to one or more of the following factors:

- the probability of selection for each survey unit (probability weighting);
- adjustments to agree with population benchmarks — to correct for imbalances in the characteristics of the selected sampled units (post-stratification, ratio estimation);
- adjustments to account for problems with the survey frame — such as missing and defunct units (new business provisions); and
- adjustment for non-response — to correct for further imbalances in the characteristics of responding sample units (post-stratification).

ESTIMATION METHODS
USED IN ABS BUSINESS
SURVEYS *continued*

Estimation

23.31 For censuses, aggregates need to be adjusted to account for non-response and problems with the frame.

23.32 Two main types of estimates are used in surveys constructing their frame from the ABS Business Register, namely number raised estimation and ratio estimation. While some surveys rely solely on number raised estimation, most will use ratio estimation in some strata. The labour-related business surveys use stratum-by-stratum ratio estimation in strata where the benchmark information is known and sampling efficiencies achievable are greater than with number raised estimation; for strata where benchmark information is not available, number raised estimation is used. Number raised estimation and ratio estimation are discussed further in Chapter 16.

23.33 The post-stratification of the sample prior to estimation is common practice for ABS business surveys, to improve the estimation process. Post-stratification is used in the labour-related business surveys. For further explanation of post-stratification estimation see Chapter 16.

Editing

23.34 Editing is used in ABS business surveys to correct a number of non-sampling errors such as those introduced by misunderstanding of questions or instructions, interviewer bias, miscoding, non-availability of data, incorrect transcription, non-response and non-contact. Editing can be performed both on the values collected from respondents and on the accumulated survey results as part of the estimation process.

23.35 Some labour-related business surveys use significance editing to reduce the editing load for the survey. Significance editing involves assessing each survey value to be edited against how greatly the survey estimate will be affected by using the unedited value. Only those values which will significantly affect the survey estimate are then edited through techniques such as imputation and outliering.

Non-Response Adjustment

23.36 Adjustments for non-response are made in the estimation process for all business surveys. There are three categories of non-response for ABS business surveys: partial non-response; complete non-response; and refusal. The extent to which values are imputed depends upon the amount and the quality of data already provided. Partial imputation is used when the unit has provided some data. Complete imputation is used when no data have been provided, or the respondent has refused to participate in the collection.

23.37 There are two sources from which imputed values can be derived for business surveys. The first is data provided by each unit or by a subset of units within a stratum. This may be data previously provided, or current data where partial non-respondents are able to provide some information. One specific example of this type of imputation is Beta imputation. Beta imputation is an automatic imputation procedure that involves estimating the missing values by applying a growth rate to the most recently reported data for these units, provided that data have been reported in either of the two previous quarters. Collections run on an infrequent or one-off basis will not be able to use data previously provided for imputation of a current value.

Non-Response Adjustment <i>continued</i>	<p>23.38 The second method derives estimates by generating a mean value for all missing data items. This method uses the Live Respondent Mean, which is used to impute for units which are known or taken to be alive, but for which no other information is available or useful. Records imputed using the 'mean' do not contribute to estimates of variance.</p> <p>23.39 Another imputation technique which has been used, in the completely enumerated sector of infrequent surveys where no historical information is available, is a version of the hot-deck method where the non-responding unit gains the response values of a responding unit which has similar characteristics.</p> <p>23.40 For complete non-response and refusals in completely enumerated strata, all data items for the unit are imputed, preferably using previously provided data. For complete non-response and refusals in other strata, the unit can have data items imputed using the Live Respondent Mean, although imputation based on previously provided data is preferred. Refer to Chapter 16 for further information on non-response adjustment.</p>
Outliers	<p>23.41 Two main methods for the treatment of outliers are used in ABS Business Surveys, namely Surprise Outliering and Winsorization. For further explanation of these methods see Chapter 16.</p>
New Business Provisions	<p>23.42 New business provisions are used in the estimation process to allow for births and deaths of businesses that have occurred up to the end of the survey reference period but which are not reflected on a survey frame. The provisions are determined following the creation of the common frame, but are not applied until estimation. For further information, refer to paragraph 23.14.</p>
RESPONSE RATE	<p>23.43 The response rate for ABS business surveys is calculated as the number of responding units divided by the total number of live units in the sample.</p>

CHAPTER 24

INDUSTRIAL DISPUTES COLLECTION

INTRODUCTION

24.1 The ABS has been collecting information about industrial disputes since 1913. The Industrial Disputes Collection produces monthly estimates of the number of industrial disputes (where ten or more working days are lost), employees involved, and working days lost. The data are used to support analysis and monitoring of industrial disputation in Australia.

COLLECTION OUTPUT

24.2 Estimates are published in *Industrial Disputes, Australia* (Cat. no. 6321.0). More detailed estimates are available on request.

24.3 A number of series are produced from the collection including:

- number of industrial disputes;
- number of employees involved;
- number of working days lost;
- number of working days lost per thousand employees;
- cause of dispute;
- duration of dispute; and
- method of settlement.

24.4 Estimates are cross classified by State or Territory and industry.

24.5 Estimates are compiled according to the concepts and definitions outlined in Chapter 12.

SCOPE

24.6 The scope of the Industrial Disputes Collection is restricted to employing businesses at which an industrial dispute has occurred. For this collection, industrial disputes are defined as work stoppages of ten working days or more. Ten working days are equivalent to the amount of ordinary time worked by ten people in one day, regardless of the length of the stoppage, e.g. 3,000 workers on strike for 2 hours would be counted as 750 working days lost (assuming they work an 8 hour day).

24.7 Effects on other establishments not directly involved in the dispute, such as stand-downs because of lack of materials, disruption of transport services, power cuts, etc. are not included in the scope of this collection.

SCOPE *continued*

24.8 Included are the following types of industrial disputes:

- unauthorised stopwork meetings;
- sympathetic strikes (e.g. strikes in support of a group of workers already on strike);
- political or protest strikes;
- general strikes;
- work stoppages initiated by employers (e.g. lockouts); and
- rotating or revolving strikes (i.e. strikes which occur when workers at different locations take turns to stop work).

24.9 Excluded are:

- work-to-rules;
- go-slows;
- bans (e.g. overtime bans); and
- sit-ins.

24.10 In addition, if all of the employees involved in an industrial dispute resign, that dispute is considered to be resolved. The dispute is no longer considered in scope of the collection from the date of the employment termination.

COLLECTION METHODOLOGY

24.11 Detailed information about each identified dispute is obtained using a mail-out/mail-back collection methodology. Information is generally from employers and, in some cases, unions.

24.12 The collection reference period is the previous calendar month.

24.13 Telephone follow-up and some written reminders of all outstanding returns is undertaken after the due date. The response rate is 100% in most months.

FRAME DESIGN

24.14 The statistical units for the collection are businesses involved in industrial disputes.

24.15 The frame is compiled monthly and comprises all organisations whose employees were known to have been involved in disputes, as defined, in the previous calendar month. All organisations on the frame are selected in the survey.

24.16 A number of sources are used to identify industrial disputes, including: Media Monitors; Reuters Business Service; union magazines; Australian and State Industrial Relations Commission (IRC) Hearings Lists; and reports from government authorities. Organisations identified through these sources are contacted by telephone to determine whether the dispute is in scope of the collection. In addition, lists of organisations regularly involved in disputes are maintained. Organisations on these lists are contacted by mail each month to determine whether they have been involved with disputes that are in scope of the collection.

Frame Undercoverage 24.17 It is not always possible to identify all the businesses involved in a dispute, particularly in large disputes. When this occurs, other bodies which might be able to provide the information, such as unions and employer organisations, are contacted. Some small disputes (particularly in small businesses) may also not be identified because of the lack of media attention given to them.

ESTIMATION 24.18 Estimates are calculated by summing the survey responses. As the collection is a census, no weighting is required.

24.19 Generally, there is no imputation for non-response. However, for large general strikes, clerical imputation methods are used, and as many sources are referenced as possible, such as unions, employer organisations, press and employers.

RELIABILITY OF THE ESTIMATES 24.20 Estimates from the survey are subject to non-sampling error.

DATA COMPARABILITY OVER TIME 24.21 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and time series analysis methods, are made as infrequently as possible. Significant changes have included:

1913 Collection commenced. Quarterly and annual publications until 1979. Commenced as a monthly collection in 1959.

1950 Cause of dispute and method of settlement classifications revised.

Ceased publishing the results of strikes and lockouts. These results had been defined as: in favour of the workpeople; in favour of the employer; compromise; and indefinite.

1952 Ceased publishing details of the number of establishments involved by State/Territory and industry.

1960 Number of disputes, number of employees involved and number of working days lost classified for the first time according to the size (in terms of the number of employees involved or the number of working days lost) of the dispute.

1967 Working days lost per thousand employees first published.

1968 Australian Standard Industrial Classification (ASIC) introduced; revised in 1973, 1978 and 1983.

1970 Cause of dispute classification revised to its current definition.

DATA COMPARABILITY OVER
TIME *continued*

- 1979** Disputes and the number of employees involved categorised as either new (commenced during the reporting period) or continuous (continued from the previous reporting period, or the gap from the previous stoppage was less than 2 complete months).
- 1982** Estimates of loss of wages discontinued.
- 1988** From September 1988 a dispute affecting more than one industry and/or State is counted once in each affected industry and State but only once in the Australia total. Previously, disputes affecting more than one industry and State were counted as separate disputes at the industry and State level and in the Australia total.
- 1995** Labour Force Survey estimates used as the basis for the calculation of working days lost per thousand employees from 1995. Previously, estimates from the Survey of Employment and Earnings were used, sometimes augmented by Labour Force Survey estimates.
- Australian and New Zealand Standard Industrial Classification (ANZSIC) introduced.

FURTHER INFORMATION

- 24.22 For further details contact the Assistant Director, Labour Employer Surveys Section, on Perth (08) 9360 5245.

CHAPTER 25

JOB VACANCIES SURVEY

INTRODUCTION

25.1 The Job Vacancies Survey was first conducted in 1974 and is a quarterly survey. The survey produces estimates of the number of job vacancies in Australia which are used as a leading indicator of employment growth, in monitoring of the Australian economy, and for formulating economic policy.

SURVEY OUTPUT

25.2 Estimates are published quarterly in *Job Vacancies, Australia* (Cat. no. 6354.0). More detailed estimates are available on request.

25.3 The main populations of interest are: civilian employee jobs, for which payments were made in the survey reference period, excluding employee jobs based outside Australia (for estimates of employees); and civilian employee job vacancies, available for immediate filling on the survey reference date, excluding vacancies for jobs based outside Australia (for estimates of job vacancies). Two main series are compiled from the survey:

- employee job vacancies; and
- employee job vacancy rates.

25.4 Data published from the first series are available on the following bases: original; seasonally adjusted; and trend (see Chapter 16 for further explanation of original, seasonally adjusted and trend estimates). Data from the second series, job vacancy rates, are available on an original basis only.

25.5 Data from both series can be cross classified by: State and Territory; sector; and industry (ANZSIC 1 digit).

25.6 Estimates are compiled according to the concepts and definitions outlined in Chapter 4 (employees) and Chapter 10 (job vacancies).

SCOPE

25.7 The scope of the survey is restricted to employing businesses (MUSs). In addition, the standard scope exclusions for ABS labour-related business surveys (outlined in Chapter 23) apply to this survey.

25.8 The standard scope exclusions for ABS labour-related business surveys (outlined in Chapter 23) apply to this survey.

SURVEY METHODOLOGY

25.9 Details of the total number of employee job vacancies available for immediate filling on the survey reference date, and number of employee jobs for which payments were made during the survey reference period, are obtained on a quarterly basis from selected businesses. A telephone interview collection methodology is used.

25.10 The survey reference period for the number of employee jobs is the last pay period ending on or before the third Friday in the middle month of the quarter. The survey reference date for job vacancies is the third Friday in the middle month of the quarter.

SURVEY METHODOLOGY
continued

25.11 Follow-up procedures are in place to obtain information from respondents who are unable to provide data at the time of the initial interview. Response rates for the survey averaged 98% in the 1998–99 financial year.

SAMPLE DESIGN

25.12 The selection unit for the survey is Management Unit/State (MUS). The collection and reporting units used in the survey usually correspond to the selection unit. However, where the MUS unit is unable to provide information required for the survey, it may be split into a number of 'reporting units'. For further information on statistical units used in ABS business surveys refer to Chapter 23.

25.13 A probability sample of MUS units (employing businesses) is drawn from the ABS Business Register using the process outlined in Chapter 23. Variables used to stratify the survey frame are:

- State or Territory;
- industry — industry stratification is based on ANZSIC division; and
- employment size — the ranges used vary between States and Territories, sectors and industries.

25.14 Strata on the survey frame that are completely enumerated include those containing MUSs with benchmark employment greater than a set cutoff (this cutoff will vary for different States/Territories) and strata with a very small number of MUSs. Strata which are completely enumerated because they contain a low number of MUSs may become sampled strata if the number of MUSs in those strata increases sufficiently.

25.15 In addition to constraints outlined in Chapter 23, sample selection is constrained by ensuring that there is minimum overlap with other labour-related business surveys.

Sample Size and Allocation

25.16 Approximately 4,500 MUSs are selected in the sample to yield a live sample of approximately 3,800 MUSs.

25.17 The sample is allocated optimally across the strata using a technique designed to minimise the variance of job vacancies estimates at both the national and State/Territory level.

Sample Rotation

25.18 The sample is updated each quarter to reflect changes in the ABS Business Register. Approximately 8% of the sample selected from the non-completely enumerated strata is replaced each quarter. This process is called sample rotation (see Chapter 23 for further explanation).

25.19 Sample rotation is implemented for the majority of strata, but is not implemented where the population of a stratum is so small that units rotating out of the sample would be rotated back in after only a short interval.

ESTIMATION

25.20 Ratio estimation is used in all strata, except in cases where there is a large proportion of units with zero benchmark employment, in which case number-raised estimation is used.

25.21 In the sampled strata the Live Respondent Mean method of imputation is used for units not responding. In the completely enumerated strata an imputed growth rate is applied to the most recently reported data for the unit, provided that data have been reported in either of the two previous quarters. Otherwise, the Live Respondent Mean is used, adjusted for the ratio of the unit's benchmark employment on the frame to the Live Respondent Mean for employment in the strata.

25.22 Survey outliers are treated using the 'surprise outlier' technique.

25.23 New Business Provisions were introduced in November 1999. Adjustments are made to survey estimates each quarter to allow for births and deaths of businesses that have occurred up to the end of the survey reference period but which are not reflected on the survey frame.

25.24 For further information on estimation methods used in ABS Business Surveys, refer to Chapter 23.

Time Series Estimates

25.25 Both seasonally adjusted and trend estimates are produced for the job vacancies series. Data from the job vacancy rates series are available on an original basis only.

SEASONAL ADJUSTMENT

25.26 The series have been seasonally adjusted from February 1984, and these historical series can be made available on request. The seasonal factors are reviewed annually to take account of each additional year's original data. The review takes place in time for the results to be incorporated in each November quarter issue of *Job Vacancies, Australia* (Cat. no. 6354.0).

TREND ESTIMATES

25.27 Trend estimates were introduced in August 1993, and are revised each quarter.

RELIABILITY OF THE ESTIMATES

25.28 Estimates from the survey are subject to both sampling and non-sampling error. The relative standard errors of survey estimates are published in *Job Vacancies, Australia* (Cat. no. 6354.0).

25.29 The 'jack-knife' approach is used to calculate estimates of variance for this survey. For further information on the jack-knife technique for calculating variance, or on sampling and non-sampling error, refer to Chapter 16.

DATA COMPARABILITY OVER TIME

25.30 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and time series analysis methods are made as infrequently as possible. Significant changes have included:

- 1974 Mail-based annual Job Vacancies Survey commenced.
- 1977 Introduction of smaller scale quarterly telephone-based survey.
- 1978 Annual and quarterly surveys discontinued.
- 1979 Quarterly survey reintroduced. Treatment of Australian Public Service vacancies changed to exclude vacancies only available to public service employees.
- 1980 First collection of job vacancies registered with the CES (continued on annual basis).
- 1982 Collection discontinued of vacancies classified by sex.
- 1983 Overtime Survey merged with Job Vacancies Survey. Sample size increased, with selection from the ABS Business Register.
- 1984 Seasonally adjusted series produced for the first time (February). Annual seasonal reanalysis of data performed for the November reference period.
- 1985 Job vacancies data published by sector for the first time.
- 1988 ABS publication discontinued of job vacancies registered with the CES.
- 1993 Trend estimates published for the first time (August).
- 1994 Survey redesigned on an ANZSIC industry basis. Industry data backcast on ANZSIC basis. Sample rotation increased from 5% to 8.33% in rotating strata.
- 1998 Treatment of Australian Public Service vacancies changed (from being excluded to being included) after vacancies made available to all Australian citizens.
- 1999 Introduction of Live Respondent Mean imputation for the sampled sector, and the new business provisions adjustment for the private sector. Overtime component discontinued.

Significant improvement in procedures, particularly coverage of vacancies within MUSs.

FURTHER INFORMATION

25.31 For further details contact the Assistant Director, Labour Employer Surveys Section, on Perth (08) 9360 5245.

CHAPTER 26

LABOUR COSTS SURVEY

INTRODUCTION

26.1 The Labour Costs Survey has been conducted on an irregular basis since 1985–86 and was most recently conducted in respect of 1996–97. The survey produces statistics on the main costs incurred by businesses as a consequence of employing labour. Data from the survey are used by a wide range of users for labour market analysis. In particular, they are used by Governments for employment, prices and income policy development, for monitoring changes in the cost of labour, and for wage determination purposes.

SURVEY OUTPUT

26.2 Estimates are published in *Labour Costs, Australia* (Cat. no. 6348.0). More detailed estimates are available through data requests.

26.3 The population of interest is civilian employee jobs based in Australia, for which payments in relation to certain labour costs incurred, were made during the survey reference period, in this instance the financial year. A number of series are compiled from the survey based on various components of employer labour costs:

- earnings (gross wages and salaries; taxable fringe benefits; and severance, termination and redundancy payments);
- payroll tax;
- superannuation;
- workers' compensation; and
- fringe benefits tax.

26.4 Data can be classified by State or Territory, sector (public/private), level of government, public institutional sector, industry and employer size. The following units of measure are available: total costs; costs per employee; costs as a percentage of total labour costs; and on-costs (i.e. costs in addition to earnings) as a percentage of earnings.

26.5 Data from the survey are available on an original basis only.

26.6 Data collected in the survey are compiled according to concepts and definitions outlined in Chapter 11. All labour costs are collected on a strict cash basis i.e. they reflect actual payments made in the survey reference period (see paragraph 26.8 below). As such they do not reflect costs incurred in the reference period for which payments are made in a later period, but they include payments made in the survey reference period for costs incurred in a prior period.

SURVEY OUTPUT <i>continued</i>	<p>26.7 Labour costs not covered by this survey include training costs, costs associated with employee welfare services, and recruitment costs. With the exception of training costs, these items are not considered to make a significant contribution to total labour costs. Earnings estimates from the survey are broader than, and thus not directly comparable with, earnings estimates from the Survey of Average Weekly Earnings (AWE), and the Employee Earnings and Hours Survey (EEH).</p>
SCOPE	<p>26.8 The scope of the survey is restricted to employing businesses (MUSs). In addition, the standard scope exclusions for ABS labour-related business surveys (outlined in Chapter 23) apply to this survey.</p>
SURVEY METHODOLOGY	<p>26.9 Detailed information is obtained about labour costs from selected employers using a mail-out/mail-back collection methodology.</p> <p>26.10 The survey reference period is the financial year ended 30 June.</p> <p>26.11 Information is collected directly from respondents on earnings and other labour costs (i.e. superannuation, workers' compensation, payroll tax, fringe benefits tax). Superannuation boards, Treasury departments and several workers' compensation boards provide details directly to the ABS on superannuation and workers' compensation, for some government organisations. Additional information is obtained from the public accounts of the Commonwealth, States and Territories and from the annual reports of some agencies.</p> <p>26.12 Respondents who do not mail back their completed questionnaire within a reasonable period of time after the survey reference date are followed up by mail and then telephoned if necessary. Response rates averaged 98% for the 1996–97 collection.</p>
SAMPLE DESIGN	<p>26.13 The selection unit for the survey is the Management Unit/State (MUS). The collection and reporting units used in the survey usually correspond to the selection unit. However, where the MUS unit is unable to provide information required for the survey, it may be split into a number of 'reporting units'. For further information on statistical units used in ABS business surveys refer to Chapter 23.</p> <p>26.14 A probability sample of employing businesses (MUS units) is drawn from the ABS Business Register using the process outlined in Chapter 23. Variables used to stratify the survey frame are:</p> <ul style="list-style-type: none"> ■ State or Territory; ■ sector — the public and private sectors are stratified separately; ■ industry — industry stratification is based on ANZSIC division; and ■ employment size — the ranges used vary between States and Territories, sectors and industries.

SAMPLE DESIGN <i>continued</i>	<p>26.15 Strata on the survey frame that are completely enumerated include those containing MUSs with benchmark employment greater than a set cutoff (this cutoff will vary for different States/Territories) and strata with a very small number of MUSs. Strata which are completely enumerated because they contain a low number of MUSs may become sampled strata if the number of MUSs in those strata increases sufficiently.</p> <p>26.16 In addition to constraints outlined in Chapter 23, sample selection is constrained by ensuring there is minimum overlap with other labour-related business surveys.</p>
Sample Size and Allocation	<p>26.17 For the 1996–97 survey, approximately 8,200 MUSs were selected in the sample to yield a live sample of approximately 6,000 MUSs.</p> <p>26.18 Estimates of population variance for each stratum were calculated using earnings data from the Survey of Employment and Earnings (SEE). This information, together with estimates of population size for each stratum, was used to allocate the Labour Costs Survey sample to ensure that proportionally more sample was allocated to larger and more variable strata.</p>
Sample Reselection	<p>26.19 The ABS reselecs the sample for the Labour Costs Survey each time it is conducted. At the same time the overall design of the sample is examined to ensure that it remains efficient and cost-effective.</p>
ESTIMATION	<p>26.20 Both ratio estimation and number-raised estimation (for some strata) are used.</p> <p>26.21 Survey outliers are handled by using the ‘surprise outlier’ technique.</p> <p>26.22 Live Respondent Mean imputation is applied to all sample sector non-respondents that are not identified as being defunct.</p> <p>26.23 Clerical imputation is carried out for units which are unable or unwilling to provide data. This includes sample sector units that can only provide part data or that only operate for part of the reference period, and completely enumerated units that operate for the whole reference period but cannot or will not supply data. For units which can only provide part of the data, stratum averages are used to impute for the remaining data items. For units which only operate for part of the reference period, stratum averages are used to impute for all data items on a pro rata basis, depending on when the operations cease. For outstanding completely enumerated units, employment and gross earnings data are obtained from the SEE, if available. If SEE data are not available, the unit’s benchmark employment is used in conjunction with stratum averages. The remaining data items are imputed based on stratum averages.</p>

ESTIMATION *continued*

26.24 Adjustments are made to survey estimates to account for births and deaths of businesses that have occurred up to the end of the survey reference period but which are not reflected on the survey frame.

26.25 For further information on estimation methods used in ABS Business Surveys, refer to Chapter 23.

RELIABILITY OF THE ESTIMATES

26.26 Estimates from the survey are subject to both sampling and non-sampling error. The relative standard errors of survey estimates are published in *Labour Costs, Australia* (Cat. no. 6348.0).

26.27 The 'jack-knife' approach is used to calculate estimates of variance for this survey.

DATA COMPARABILITY OVER TIME

26.28 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, and frequency of collection, are made as infrequently as possible. Significant changes have included:

1983–84 Annual survey commenced for this reference year.

1991–92 Last year for which survey was conducted on an annual basis.

1993–94 Survey conducted for this reference year. Survey redesigned on an ANZSIC industry basis. Collection methodology for superannuation coverage and collection of fringe benefits/fringe benefits tax improved.

1996–97 Survey repeated with increased sample size. Collection form redesigned. Introduction of Live Respondent Mean imputation for the sampled sector. Jack-knife variance estimation system introduced. Change in reporting arrangements for superannuation by Commonwealth general government organisations.

26.29 Although many estimates from previous collection cycles are on a consistent basis, care should be taken in using data from this survey as a time series. The survey is designed to give an accurate 'snapshot' of data rather than an ongoing series of observations over time. Hence the survey methodology and sample design are not specifically set up to provide time series data e.g. the sample is not set up to necessarily have the same businesses in it for more than one year.

FURTHER INFORMATION

26.30 For further details contact the Assistant Director, Labour Employer Surveys Section, on Perth (08) 9360 5245.

CHAPTER 27

SURVEY OF AVERAGE WEEKLY EARNINGS

INTRODUCTION

27.1 The Survey of Average Weekly Earnings has been conducted quarterly since 1981. The purpose of the survey is to measure average gross weekly earnings associated with employee jobs in Australia. Estimates of average weekly earnings, and changes in average weekly earnings, are produced each quarter. Estimates are used in commercial contracts, and in Commonwealth, State and Territory legislation. The quarterly measure of change in average earnings levels is often used as an indicator of change in underlying wage rates, for economic policy analysis. However, the ABS considers its Wage Cost Index to be the preferred indicator of changes in wage rates.

SURVEY OUTPUT

27.2 Data are published quarterly, in *Average Weekly Earnings, Australia* (Cat. no. 6302.0). More detailed data are available on request. Up until the December quarter 2000, preliminary results were released three weeks earlier in *Average Weekly Earnings, Australia, Preliminary* (Cat. no. 6301.0).

27.3 The population of interest is civilian employee jobs, for which payments were made in the survey reference period, excluding employee jobs based outside Australia. Three main series are published:

- Average weekly total earnings for full-time adult employee jobs (comprising ordinary time earnings plus overtime — refer to Chapter 11 for further information on ordinary time, overtime and other components of earnings).
- Average weekly total earnings for all employee jobs.
- Average weekly ordinary time earnings for full-time adult employee jobs (commonly referred to as AWOTE).

27.4 Estimates of the percentage change in average earnings (from both the previous quarter and from the corresponding quarter of the previous year) are published for each series. Estimates from the survey are cross-classified by sex, State/Territory, industry and sector.

27.5 Estimates are published on the following bases: original; seasonally adjusted; and trend (see Chapter 16 for further explanation of original, seasonally adjusted and trend estimates). Seasonally adjusted and trend estimates are available by Australia and State/Territory for each of the three main series listed above.

27.6 Data collected in the survey are compiled according to concepts and definitions outlined in Chapter 4 (employees) and Chapter 11 (earnings).

SCOPE

27.7 The scope of the survey is restricted to employing businesses (MUSs). In addition, the standard scope exclusions for ABS labour-related business surveys (outlined in Chapter 23) apply to this survey.

SURVEY METHODOLOGY

27.8 Details of numbers of employees (full-time adults and other employees), total gross weekly earnings (for full-time adults and other employees), and weekly overtime earnings of full-time adults are obtained on a quarterly basis from selected businesses, using a mail-out/mail-back collection methodology. Data for some Commonwealth and Territory Government organisations are collected electronically on a fortnightly basis from a centralised pay system. A small number of large private businesses also provide data electronically.

27.9 The survey reference period is the last pay period ending on or before the third Friday in the middle month of the quarter. Businesses are asked to estimate one week's proportion of total gross earnings and full-time adult overtime earnings if their payroll is not weekly.

27.10 Businesses which do not mail back their completed questionnaire within a reasonable period of time after the survey reference period are followed up by mail and then phone if necessary. Final response rates for the Survey of Average Weekly Earnings over the 1998–99 financial year averaged 98%.

SAMPLE DESIGN

27.11 The selection unit for the survey is the Management Unit/State (MUS). The collection and reporting units used in the survey usually correspond to the selection unit. However, where the MUS is unable to provide information required for the survey, it may be split into a number of 'reporting units'. For further information on statistical units used in ABS business surveys refer to Chapter 23.

27.12 A probability sample of MUSs (employing businesses) is drawn from the ABS Business Register using the process outlined in Chapter 23. Variables used to stratify the survey frame each quarter are:

- State or Territory;
- sector — the public and private sectors are stratified separately;
- industry — within the private sector, industry stratification is based on ANZSIC division; within the public sector ANZSIC divisions are aggregated to form three broad industry groupings; and
- employment size — the ranges used vary between States and Territories, sectors and industries.

27.13 Strata on the survey frame that are completely enumerated include those containing MUSs with benchmark employment greater than a set cutoff (this cutoff will vary for different States/Territories) and strata with a very small number of MUSs. Strata which are completely enumerated because they contain a low number of MUSs may become sampled strata if the number of MUSs in those strata increases sufficiently.

27.14 In addition to constraints outlined in Chapter 23, sample selection is constrained by the need to ensure that there is minimum overlap with other labour-related business surveys and with non-labour related business surveys.

Sample Size and Allocation	<p>27.15 Approximately 4,700 MUSs are selected in the sample to yield a live sample of approximately 4,000 MUSs.</p> <p>27.16 The sample is allocated optimally across sampled strata using a technique designed to minimise the variance of average weekly earnings estimates at both the national and State/Territory level.</p>
Sample Rotation	<p>27.17 The sample is updated each quarter to reflect changes in the ABS Business Register. Approximately 8% of the sample selected from the non-completely enumerated strata is replaced each quarter. This process is called sample rotation (see Chapter 23 for further explanation).</p> <p>27.18 Sample rotation is implemented for the majority of sampled strata, but is not implemented where the population of a stratum is so small that units rotating out of the sample would be rotated back in after only a short interval.</p>
ESTIMATION	<p>27.19 Estimates of total weekly earnings and number of employee jobs are computed for various combinations of State/Territory, sector and industry. Average weekly earnings measures are the quotient of the respective earnings and employment measures. Ratio estimation is used in all sampled strata, except in cases where there is a large proportion of units with zero benchmark employment, in which case number-raised estimation is used.</p> <p>27.20 In both completely enumerated and sampled strata an automatic imputation procedure is used for units not responding, by applying imputed growth rates to the most recently reported employment and earnings data for these units, provided that data have been reported in either of the two previous quarters. This is referred to as Beta imputation. Otherwise, the Live Respondent Mean method is used to impute for missing data items.</p> <p>27.21 Significance editing was introduced in September 1992. This technique means that editing is only performed on those survey values which will significantly impact on the survey estimate if left unaltered.</p> <p>27.22 Survey outliers are handled by using the 'surprise outlier' technique.</p> <p>27.23 New Business Provisions were introduced in May 1999. Adjustments are made to survey estimates each quarter to allow for births and deaths of businesses that have occurred up to the end of the survey reference period but which are not reflected on the survey frame.</p> <p>27.24 For further information on estimation methods used in ABS Business Surveys, refer to Chapter 23.</p>
Time Series Estimates	<p>27.25 Both seasonally adjusted and trend estimates are produced for key series from this survey.</p>

Time Series Estimates
continued

SEASONAL ADJUSTMENT

27.26 Seasonally adjusted estimates were introduced from September quarter 1983. The seasonal factors are reviewed annually to take account of each additional year's original data. The review takes place in time for the results to be incorporated in each February issue of *Average Weekly Earnings, Australia* (Cat. no. 6302.0).

TREND ESTIMATES

27.27 Trend estimates were introduced from August quarter 1993.

RELIABILITY OF THE
ESTIMATES

27.28 Estimates from the survey are subject to both sampling and non-sampling error. The relative standard errors of survey estimates are published in *Average Weekly Earnings, Australia* (Cat. no. 6302.0).

27.29 The 'jack-knife' approach is used to calculate estimates of variance for this survey. For further information on the jack-knife technique for estimating variances, or on sampling and non-sampling errors, refer to Chapter 16.

DATA COMPARABILITY OVER
TIME

27.30 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and methods of time series analysis, are made as infrequently as possible. Significant changes have included:

- 1941 Average weekly earnings series commenced, based principally on information from payroll tax returns.
- 1981 Sample survey of businesses introduced using the ABS Business Register.
- 1983 Survey sample increased, with selection from an upgraded ABS Business Register. Some changes to survey definitions. Seasonally adjusted estimates introduced.
- 1992 First data collected electronically from selected survey respondents; introduction of significance editing.
- 1993 Trend estimates introduced.
- 1994 Survey redesigned on an ANZSIC industry basis. Rotation rate for rotating sampled strata increased from 5% to 8.33%.
- 1997 Jack-knife variance estimation introduced. Number raised estimation introduced for strata with over 20% of units having zero benchmark employment.
- 1999 Introduction of Live Respondent Mean imputation for the sampled sector, and the new business provisions adjustment for the private sector.
- 2000 Introduction of Beta imputation for the sampled sector.
- 2001 Publication of preliminary estimates discontinued.

FURTHER INFORMATION

27.31 For further details contact the Assistant Director, Labour Employer Surveys Section, on Perth (08) 9360 5245.

CHAPTER 28

SURVEY OF EMPLOYEE EARNINGS AND HOURS

INTRODUCTION

28.1 The Survey of Employee Earnings and Hours has been conducted since 1974. It is currently conducted biennially. The survey produces estimates of the composition and distribution of employee earnings and hours, as well as estimates of the proportion of employees whose pay is set by awards only, by collective agreements and by individual agreements. Estimates from the survey are used by Commonwealth and State government departments, employer associations, trade unions and academic researchers. They are used in developing and reviewing wages and labour market policies, in the wage negotiating process, and in research into various aspects of the labour market.

SURVEY OUTPUT

28.2 Estimates are published initially in *Employee Earnings and Hours, Australia, Preliminary* (Cat. no. 6305.0) and later in the more detailed publication *Employee Earnings and Hours, Australia* (Cat. no. 6306.0). More detailed data are available on request.

28.3 A number of series are compiled from the survey based on the distribution and composition of earnings and paid hours, and the mechanism by which pay is set. These include:

- Distribution of employees by levels of: weekly total earnings; weekly ordinary time earnings; weekly overtime earnings; weekly total hours paid for; weekly ordinary time hours paid for; and weekly overtime hours paid for.
- Composition of average weekly earnings: average weekly total earnings; average weekly ordinary time earnings; average weekly base pay; average weekly taxable allowances paid; average weekly payment by measured result; and average weekly overtime earnings.
- Average hourly earnings (not available for managerial employees): average hourly ordinary time earnings; and average hourly total earnings.
- Composition of hours paid for (not available for managerial employees): average weekly total hours paid for; average weekly ordinary time hours paid for; and average weekly overtime hours paid for.
- How pay is set: award; collective agreement; and individual agreement (collected for the first time in 2000).

28.4 Data can also be cross-classified by: State/Territory; sector (public/private); level of government; industry (4 digit ANZSIC); employer size; sex; full-time/part-time; adult/junior; managerial/non-managerial; permanent/temporary/casual; status of employee (working proprietor, managerial/executive, supervisor, apprentice/trainee, other); and occupation (4 digit ASCO).

SURVEY OUTPUT <i>continued</i>	<p>28.5 Data on how pay is set were first collected in the May 2000 survey and include: proportion of employees whose pay is set by each pay setting mechanism; and average weekly total earnings (by pay setting mechanism).</p> <p>28.6 Data are compiled according to the concepts and definitions outlined in Chapters 4 (employees) and 11 (earnings).</p>
SCOPE	<p>28.7 For the first stage sample of employing businesses (MUSs), the standard scope exclusions for ABS labour-related business surveys (outlined in Chapter 23) apply to this survey.</p> <p>28.8 The scope of the second stage sample is restricted to civilian employees based in Australia who received payments during the survey reference period. Self-employment jobs (such as proprietors/partners of unincorporated businesses), jobs for which payments were not made during the reference period (such as jobs held by persons on unpaid leave), jobs based outside Australia, and members of the Australian permanent defence forces are not in scope of the survey.</p>
COLLECTION METHODOLOGY	<p>28.9 Detailed information is obtained about a sample of employees from each selected business using a mail-out/mail-back collection methodology.</p> <p>28.10 The survey reference period is the last pay period ending on or before the third Friday in May of the survey year. Businesses are asked to include only one week's proportion of hours paid and related earnings if their payroll is not weekly.</p> <p>28.11 Businesses which do not mail back their completed questionnaire within a reasonable period of time after the survey reference date are followed up by mail and then phone if necessary. The response rate for the 1998 collection was 98.5% at the MUS level and 97.4% at the employee level.</p>
SAMPLE DESIGN	<p>28.12 A probability sample design is used. The sample of employees is obtained using a stratified two stage selection approach which involves: first, the ABS selecting a sample of businesses from the ABS Business Register; and second, each selected business selecting a sample of employees from their payroll(s).</p> <p>28.13 The selection unit for the first stage selection is the Management Unit/State (MUS). The collection and reporting units used in the survey usually correspond to the selection unit. However, where the MUS unit is unable to provide information required for the survey, it may be split into a number of 'reporting units'.</p> <p>28.14 Second stage sampling units (employees) are selected using systematic sampling within the selected first-stage units. For further information on statistical units used in ABS business surveys refer to Chapter 23.</p>

Stage One Selection

28.15 A probability sample of employing businesses (MUS units) is drawn from the ABS Business Register using the process outlined in Chapter 23. Variables used to stratify the survey frame at stage one of the sample selection are:

- State or Territory;
- sector — the public and private sectors are stratified separately;
- industry — within the private sector, industry stratification is based on ANZSIC division; within the public sector ANZSIC divisions are aggregated to form four broad industry groupings; and
- employment size — the ranges used vary between States and Territories, sectors and industries.

28.16 Strata on the survey frame that are completely enumerated include those containing MUSs with benchmark employment greater than a set cutoff (this cutoff will vary for different States/Territories) and strata with a very small number of MUSs. Strata which are completely enumerated because they contain a low number of MUSs may become sampled strata if the number of MUSs in those strata increases sufficiently.

28.17 In addition to constraints outlined in Chapter 23, sample selection is constrained by the need to ensure that there is maximum overlap with the quarterly Survey of Average Weekly Earnings and minimum overlap with other surveys.

Stage Two Selection

28.18 Second stage sampling units (employees) are selected using systematic sampling within selected first-stage units. A random start and a skip are provided to each selected business for use in selecting the second-stage sample from its payroll(s). Units with an unknown employment size are given a skip of one. Businesses are not required to order their payroll in any particular way when selecting the sample.

Sample Size and Allocation

28.19 For the first-stage sample, approximately 8,000 MUSs are selected to yield a live sample of approximately 6,800 MUSs.

28.20 For the second-stage sample, approximately 59,000 employees are selected. The maximum number of employees for any reporting unit is 40.

Sample Reselection

28.21 The ABS reselects the sample for the Survey of Employee Earnings and Hours each time it is conducted. At the same time the overall design of the sample is examined to ensure that it remains efficient and cost-effective.

ESTIMATION

28.22 The estimation process occurs in two stages. In the first stage, number raised estimation is used to estimate the number of employees in each business. In the second stage, number raised estimation is again used to estimate the total number of businesses, and therefore employees, in the target population.

28.23 In the sampled strata, the Live Respondent Mean method is used to impute for missing data items. In the completely enumerated strata a ratio imputation model is used.

28.24 Survey outliers are handled using the 'surprise outlier' technique.

28.25 New Business Provisions were introduced in the 2000 survey. Adjustments are made to survey estimates to allow for births and deaths of businesses that have occurred up to the end of the survey reference period but which are not reflected on the survey frame.

28.26 For further information on estimation methods used in ABS Business Surveys, refer to Chapter 23.

Time Series Estimates

28.27 Seasonally adjusted and trend estimates are not produced for this survey.

RELIABILITY OF THE ESTIMATES

28.28 Estimates from the survey are subject to both sampling and non-sampling error. The relative standard errors of survey estimates are published in both *Employee Earnings and Hours, Australia, Preliminary* (Cat. no. 6305.0) and *Employee Earnings and Hours, Australia* (Cat. no. 6306.0).

28.29 The ultimate cluster variance estimation technique is used to calculate estimates of variance for this survey. For further information on the ultimate cluster variance estimation technique, or on sampling and non-sampling error, refer to Chapter 16.

DATA COMPARABILITY OVER TIME

28.30 Although many estimates from previous years or collection cycles are on a consistent basis, care should be taken in using data from this survey on a time series basis. The survey is designed to give an accurate 'snapshot' of data rather than an ongoing series of observations over time. Hence the survey methodology and sample design are not specifically set up to provide time series data e.g. the sample is not set up to have the same employee jobs in it for more than one year. Nevertheless, average weekly earnings and hours data at aggregate levels are compiled in a consistent manner over time, although successive estimates would not be strongly correlated because of low sample overlap. The following changes have been made to survey methods, survey concepts, data item definitions, and frequency of collection.

1974 Annual survey commenced; first stage sample frame comprised lists of employers subject to payroll tax and lists of government departments and hospitals.

1981 Survey frequency changed to biennial.

DATA COMPARABILITY OVER
TIME *continued*

- 1983** First stage sample frame changed to ABS Business Register.
- 1986** Survey frequency changed to annual.
- 1993** Changes to base pay definition.
- 1995** Sample redesign on an ANZSIC basis.
- 1996** Biennial survey recommenced replacing annual survey.
- 2000** Questions introduced on how pay is set. Live Respondent Mean imputation introduced. New Business Provision adjustments introduced. Completely enumerated sector imputation method changed. Second-stage sample reduced significantly.

FURTHER INFORMATION

- 28.31 For further details contact the Assistant Director, Labour Employer Surveys Section, on Perth (08) 9360 5240.

CHAPTER 29

SURVEY OF EMPLOYMENT AND EARNINGS

INTRODUCTION

29.1 The Survey of Employment and Earnings has been conducted on a quarterly basis since 1983. The purpose of the survey is to measure both the number of wage and salary earners employed each month and their gross quarterly earnings. Data are used in developing and reviewing wages and labour market policies, and in the Australian National Accounts in estimates of compensation of employees and of labour productivity.

SURVEY OUTPUT

29.2 Estimates from the survey are published quarterly in *Wage and Salary Earners, Australia* (Cat. no. 6248.0). More detailed data are available on request.

29.3 The population of interest is civilian employee jobs, for which payments were made in the survey reference period, excluding employee jobs based outside Australia. Two main series are published:

- wage and salary earners; and
- gross earnings for wage and salary earners.

29.4 Data published from the first series (wage and salary earners) are available on the following bases: original; seasonally adjusted; and trend. Original estimates only are available for the gross earnings series.

29.5 Data can be cross-classified by: State and Territory; sector (public/private); industry (ANZSIC 2 digit level subject to confidentiality constraints); level of government; public institutional sector; and employer size (available for the private sector only). The wage and salary earners series can also be classified by full-time or part-time status (available by mid-month of the quarter only). The following earnings components within the gross earnings series are available on request: gross wages and salaries; fees paid to directors and office holders; and severance, termination and redundancy payments.

29.6 Data collected within the survey are compiled according to the concepts and definitions outlined in Chapter 11. Earnings estimates from the Survey of Employment and Earnings are broader than, and thus not directly comparable with, earnings estimates from the Survey of Average Weekly Earnings (AWE), and the Employee Earnings and Hours Survey (EEH). Earnings in the Survey of Employment and Earnings comprise earnings as defined in AWE and EEH plus a number of irregular remuneration components that are excluded from AWE and EEH (e.g. retrospective pay, pay in advance, and irregular bonuses and gratuities).

SCOPE

29.7 Public sector employing businesses (MUSs) operating in the Agriculture, Forestry and Fishing industry (ANZSIC Division A) are included in the scope of this survey. Otherwise, the standard scope exclusions for ABS labour-related business surveys (outlined in Chapter 23) also apply to this survey. However, it should be noted that the ABS is currently reviewing the scope of the survey, with the intention of reducing the scope to public sector employing businesses only.

SURVEY METHODOLOGY

29.8 Details of the monthly numbers of employee jobs and quarterly earnings are obtained on a quarterly basis from selected businesses using a mail-out/mail-back collection methodology. Data for some Commonwealth and Territory Government organisations are collected electronically on a fortnightly basis from a centralised pay system. A small number of large private businesses also provide data electronically.

29.9 The survey reference period is all pay periods that end within the quarter. Earnings estimates may, therefore, be affected by variation in the number of pay periods from quarter to quarter. Number of employee jobs is collected for each month of the quarter. In the mid month of the quarter the number of full-time and part-time employee jobs is also collected.

29.10 Businesses which do not mail back their completed questionnaire within a reasonable period of time after the survey reference period are followed up by mail and then phone if necessary. Priority intensive follow up was introduced in 1998. This method calculates a score for all non-responding units based on how well it is expected the imputation method would estimate the unit. Only non-responding units with a score greater than a set cut-off are intensively followed up. Response rates for the Survey of Employment and Earnings for the 1998–99 financial year averaged 98%.

SAMPLE DESIGN

29.11 The selection unit for the survey is Management Unit/State (MUS). The collection and reporting units used in the survey usually correspond to the selection unit. However, where the MUS is unable to provide information required for the survey, it may be split into a number of 'reporting units'. For further information on statistical units used in ABS business surveys refer to Chapter 23.

29.12 A probability sample of MUSs (employing businesses) is drawn from the ABS Business Register using the process outlined in Chapter 23. Variables used to stratify the survey frame are:

- State or Territory;
- sector — the public and private sectors are stratified separately;
- industry — industry stratification is based on ANZSIC division; and
- employment size — the ranges used vary between States and Territories, sectors and industries.

29.13 Strata on the survey frame that are completely enumerated include those containing MUSs with benchmark employment greater than a set cutoff (this cutoff will vary for different States/Territories) and strata with a very small number of MUSs. Strata which are completely enumerated because they contain a low number of MUSs may become sampled strata if the number of MUSs in those strata increases sufficiently.

29.14 In addition to constraints outlined in Chapter 23, sample selection is constrained by the need to ensure that there is minimum overlap with other labour-related business surveys.

Sample Size and Allocation	<p>29.15 Approximately 11,800 MUSs are selected in the sample to yield a live sample of approximately 9,500 MUSs.</p> <p>29.16 The sample is allocated optimally across sampled strata using a technique designed to minimise the variance of total mid month employment at both the national and State/Territory level.</p>
Sample Rotation	<p>29.17 The ABS reselects the sample for the survey each quarter, with approximately 8% of the sample from non-completely enumerated strata replaced each quarter.</p> <p>29.18 Sample rotation is implemented for the majority of sampled strata with businesses with 50 employees or less. Sample rotation is not implemented where the population of a stratum is so small that units rotating out of the sample would be rotated back in after only a short interval.</p>
ESTIMATION	<p>29.19 Ratio estimation is used in all strata, except in cases where there is a large proportion of units with zero benchmark employment, in which case number-raised estimation is used.</p> <p>29.20 Beta imputation is used in both the completely enumerated and sampled strata, provided that data have been reported in either of the two previous quarters. Otherwise, the Live Respondent Mean method is used to impute for missing data items.</p> <p>29.21 Significance editing was introduced in September 1999. This technique means that editing is only performed on those survey values which will significantly impact on the survey estimate if left unaltered.</p> <p>29.22 Survey outliers are dealt with using the 'surprise outlier' technique.</p> <p>29.23 New Business Provisions were introduced in November 1999. Adjustments are made to survey estimates each quarter to account for births and deaths of businesses that have occurred up to the end of the survey reference period but which are not reflected on a survey frame.</p> <p>29.24 For further information on estimation methods used in ABS Business Surveys, refer to Chapter 23.</p>
Time Series Estimates	<p>29.25 Both seasonally adjusted and trend estimates are produced for key series from this survey.</p>
	<p>SEASONAL ADJUSTMENT</p> <p>29.26 Seasonally adjusted estimates were introduced in March quarter 1989. The seasonal factors are reviewed annually to take account of each additional year's original data. The review takes place in time for the results to be incorporated in each March quarter issue of <i>Wage and Salary Earners, Australia</i> (Cat. no. 6248.0).</p>
	<p>TREND ESTIMATES</p> <p>29.27 Trend estimates were introduced in June 1993.</p>

RELIABILITY OF THE ESTIMATES

29.28 Estimates from the survey are subject to both sampling and non-sampling error. The relative standard errors of survey estimates are published in *Wage and Salary Earners, Australia* (Cat. no. 6248.0).

29.29 The 'jack-knife' approach is used to calculate estimates of variance for this survey.

DATA COMPARABILITY OVER TIME

29.30 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and time series analysis methods are made as infrequently as possible. Significant changes have included:

1983 Survey of Employment and Earnings commenced. Public sector completely enumerated.

1988 Size of private sector sample reduced. Sampling introduced for public sector.

1989 Seasonally adjusted estimates introduced.

1992 First data collected electronically. Sample size reduced.

1993 Private sector sample size reduced. Trend estimates introduced.

1995 Number of strata using number-raised estimation increased. Number of rotating strata reduced, and rotation increased from 5% to 8.33%.

Publication suspended after March quarter, but collection continued.

1996 Industry classification changed to ANZSIC; survey estimates revised back to September quarter 1983.

1997 Publication resumed with March quarter, with data published backdating to June quarter 1995. Survey redesigned on an ANZSIC industry basis. Switch to full enumeration of public sector industries with small populations in the Northern Territory and the Australian Capital Territory. Public sector sample size reduced. New business provisions adjustment introduced and backcast to beginning of the series.

1998 Live Respondent Mean imputation introduced for the sampled sector. Introduction of priority Intensive follow-up and changes to estimation procedures.

1999 Beta imputation introduced; introduction of significance editing.

FURTHER INFORMATION

29.31 For further details contact the Assistant Director, Labour Employer Surveys Section, on Perth (08) 9360 5245.

CHAPTER 30

WAGE COST INDEX

INTRODUCTION

30.1 The Wage Cost Index (WCI) provides a measure of change in the price of employee labour. It measures quarterly changes in the average wage and salary cost of a representative mix of employee jobs in the Australian labour market, unaffected by changes in the quality and quantity of work performed. Estimates are used in formulating industrial relations and wages policies, economic analysis and contract adjustment. The ABS has published estimates for the Wage Cost Index on a quarterly basis since December 1997.

SURVEY OUTPUT

30.2 Estimates are published quarterly in *Wage Cost Index, Australia* (Cat. no. 6345.0). More detailed data are available on request.

30.3 Four sets of chain Laspeyres indexes are compiled:

- total hourly rates of pay — excluding bonuses;
- ordinary time hourly rates of pay — excluding bonuses;
- total hourly rates of pay — including bonuses; and
- ordinary time hourly rates of pay — including bonuses.

30.4 Within each index set, separate indexes can be made available for various combinations of State/Territory, sector (private/public), broad industry and broad occupation.

30.5 Data are available on an original basis only. Seasonally adjusted and trend data may be published in the future.

30.6 Data are compiled according to the concepts and definitions outlined in Chapter 11.

SCOPE AND COVERAGE

30.7 For the first stage sample of businesses, the standard scope exclusions for ABS labour-related business surveys (outlined in Chapter 23) apply to this survey.

30.8 The scope of the second stage sample is restricted to civilian employee jobs for which payments were made during the survey reference period. Hence self-employment jobs (such as proprietors/partners of unincorporated businesses), and jobs for which payments were not made during the reference period (such as jobs held by persons on unpaid leave) are not in scope of the survey. In addition, 'non-maintainable' jobs (i.e. jobs that are expected to be occupied for less than six months a year) are not in scope of the survey, as are jobs for which remuneration is not determined by the Australian labour market (e.g. working proprietors of small incorporated enterprises, and jobs where the pay is set in another country).

SURVEY METHODOLOGY

30.9 Information for the Wage Cost Index is collected each quarter from selected businesses using a mail-out/mail-back collection methodology.

30.10 The survey reference period is the last pay period ending on or before the third Friday of the mid month of the quarter, except for bonuses for which the reference period is the three month period ending on the third Friday of the mid month of the quarter,

30.11 A business is *initialised* to the survey in the first quarter that it is selected. Initialisation involves the business selecting a random sample of jobs and providing detailed pricing specifications for the selected jobs. The payments made to the employees in those jobs are also collected. Other qualitative information about the business relevant to the Wage Cost Index is also collected through telephone contact with the business. This information includes details about pay change mechanisms for jobs, details of any awards or agreements that are relevant to selected jobs, details of overtime provisions, and any additional information about jobs that have unusual pay or working arrangements. This additional information assists survey staff to understand the nature of pay changes as they occur, to ensure that only pure price changes are reflected in the index.

30.12 Although payments made to employees are collected at initialisation, these newly selected jobs do not contribute to the index until the following quarter. This ensures that only jobs that have pay details for both the current and previous quarters, and hence pay movement data, contribute to index compilation in the current quarter.

30.13 In subsequent quarters, businesses provide details of payments made to the job occupants in the reference period of that quarter. They also indicate whether there have been any pay changes for each job in the previous three months, and the reason for the pay change.

30.14 The ABS takes a number of steps to ensure that data from the same jobs are collected each quarter, and that any change in price for a job between quarters is a 'pure price' change. During the data collection period survey staff contact businesses by phone and question the business contact for clarification of information provided on the form. This contact with businesses enables survey staff to determine whether the price change for a job was a pure price change, or whether the change in the price resulted from other factors, such as a change in the pricing specification, changes in the characteristics of the job occupant, or a new occupant being in the job.

30.15 The ABS conducts a program of personal visits to businesses. These visits are prioritised, concentrating on businesses when they are first initialised into the survey or when the contact officer in the business changes, and businesses with complex remuneration arrangements. These visits assist businesses to better understand the concepts of the survey and help ensure the continuing effectiveness of pricing to constant quality in the Wage Cost Index.

30.16 Response rates for the 1999–2000 financial year averaged 99%.

SURVEY METHODOLOGY
continued

30.17 Businesses which do not mail back their completed questionnaire within a reasonable period of time after the survey reference date are followed up by mail and then phone if necessary.

SAMPLE DESIGN

30.18 A probability sample design is used. The sample of employee jobs is obtained using a stratified two stage selection.

30.19 The selection unit for the stage one selection is the Management Unit/State (MUS). The collection and reporting units used in the survey usually correspond to the selection unit. However, where the MUS unit is unable to provide information required for the survey, it may be split into a number of 'reporting units'.

30.20 Second stage sampling units (employee jobs) are selected using systematic sampling within the first stage units. For further information on statistical units used in ABS business surveys refer to Chapter 23.

Stage One Selection

30.21 A probability sample of employing businesses (MUS units) is drawn from the ABS Business Register. The MUS units on the ABS Business Register are stratified into homogeneous groups and then a random sample is selected using synchronised sampling within panels, via the Rotating Panel Methodology. For further information, refer to paragraph 30.28. Variables used to stratify the survey frame are:

- State or Territory;
- sector — the public and private sectors are stratified separately;
- industry — within the private sector, industry stratification is based on ANZSIC division; within the public sector ANZSIC divisions are aggregated to form four broad industry groupings; and
- employment size — the ranges used vary between States and Territories, sectors and industries.

30.22 Some MUSs with large benchmark employment are selected with certainty.

30.23 Following their selection at stage one, some MUSs are disaggregated into 'reporting units'. In most cases, all reporting units for a selected MUS are included in the sample. However, for some large units a random sample of reporting units may be taken.

Stage Two Selection

30.24 In the second stage, MUSs selected in the first stage are asked to select a random sample of up to ten employee jobs from their payrolls using instructions provided by the ABS. For the second stage sample, the start and skip intervals provided to businesses are calculated to yield approximately 19,000 jobs.

Sample Size and Allocation

STAGE ONE ALLOCATION

30.25 Approximately 4,100 MUSs are selected in the first sampling stage to yield a live sample of approximately 3,500 MUSs.

Sample Size and Allocation
continued

STAGE TWO ALLOCATION

30.26 For the second stage sample, the instructions provided to businesses to select their sample yield approximately 19,000 employee jobs.

Sample Reselection

30.27 For effective and efficient ongoing index construction, it is important that a high proportion of the initial sample of businesses is retained in subsequent quarters, and that the same jobs within those businesses stay in the sample where possible. However, with annual reweighting of the index to ensure its continued relevance, it is also necessary to update or refresh the sample of businesses annually. The first sample refreshing for the survey occurred in the September quarter 1999. Refreshing the sample also allows the ABS to control the length of time that small businesses, in particular, are included in the sample. By controlling the length of time businesses are included in the survey, the ABS can ensure that the burden placed on businesses is kept to a minimum.

30.28 The sample selection methodology used to refresh the sample of businesses in the survey is referred to as the Rotating Panel Methodology. Under this methodology, the survey population is initially divided randomly into five equal panels. Sample refreshing is performed from within only one population panel for each annual update. All new businesses commencing operation between each annual refreshing are included in the next population panel to be refreshed, and therefore have a chance of being selected at the next annual update, ensuring that the index reflects changes to the population of businesses over time.

ESTIMATION

Index Estimation

30.29 Data collected for the Wage Cost Index are used to derive hourly prices which are then weighted and aggregated to form index numbers, the output items of the Wage Cost Index. These index numbers are chain Laspeyres indexes, linked annually in the September quarter.

30.30 Index numbers are constructed from the hourly price (i.e. quality adjusted hourly rate of pay) of each selected job in both the current and previous quarters, standard hours for each job, the sampling weight of each job, and the wage and salary expenditure for each elementary aggregate.

30.31 Index numbers are calculated within a 'link', and the series based on the latest link is 'chained' to the previous series to form a continuous series with a reference base of September quarter 1997 = 100.0.

30.32 The main steps taken to calculate the indexes are as follows.

- Derive the hourly prices (i.e. quality adjusted hourly rates of pay) for each job from wage and salary data, bonus payments data and hours data, for both the current and previous quarters (note: there are four different hourly prices derived).
- Estimate the average price per hour for elementary aggregates, for current and previous quarters, as a weighted average of the hourly prices of each of the jobs contributing to the specific elementary aggregate. The weights are the total sampling weight and the standard hours for each job.
- Calculate the quarterly ratio (current/previous) of estimated price per hour for each elementary aggregate, by comparing the average price for the elementary aggregate between the current and previous quarters.
- Calculate the cumulative change in average hourly price for each elementary aggregate from the base quarter of the link (i.e. the most recent September quarter) to the current quarter, by multiplying together the successive quarterly price ratios.
- Calculate an index number for the link by combining the elementary aggregate indexes using expenditure weights. This index number is then chained to the index series based on previous links to form an index with a reference base of September quarter 1997 = 100.0.

30.33 Imputation in the Wage Cost Index falls broadly into two types — explicit and implicit imputation.

30.34 Explicit imputation involves (i) the creation of derived data at the job level for non-responding and refusal jobs, and (ii) the replacement of data provided by the respondent with derived data for unclean fully or partially responding jobs. Explicit imputation, when it occurs, is done automatically.

30.35 Implicit imputation occurs when there is insufficient information to enable unclean jobs to be explicitly imputed. In this case, the sampling weights of responding units (clean jobs, reporting units, or MUSs as the case may be) are increased during estimation to account for the ones that cannot be explicitly imputed. All unclean jobs in a non-initialisation quarter will either be explicitly or implicitly imputed.

30.36 Jobs are flagged as potential outliers if they exceed a certain tolerance level for their impact on State by sector and sector by industry indexes. This impact is calculated as the job's percentage contribution to the index movement. The flagged jobs are closely scrutinised to ensure that the data are correct and the movement is genuine. The responding unit to which that job belongs is also closely scrutinised to ensure that all jobs in the unit are 'clean', so that the potential outlier is not having an additional impact through imputation.

Outliers <i>continued</i>	30.37 Graphical techniques are used to help assess how the potential outliers differ from other jobs. Graphs are produced of estimates reflecting the sample weights, for job movement and the job contribution to the index at the State by sector and sector by industry levels, relevant to the job in question. The reason for the job's wage movement will also be taken into account in deciding the 'atypical' nature of the job's wage change, and subject matter opinions on this will be sought.
New Business Provisions	30.38 New Business Provisions are not applicable to the Wage Cost Index as they do not have a significant impact upon the calculation of quarterly price ratios.
Time Series Estimates	30.39 The Wage Cost Index is not yet seasonally adjusted as the collection has not been running for sufficient time to enable seasonality to be estimated with sufficient accuracy.
RELIABILITY OF THE ESTIMATES	<p>30.40 Estimates from the survey are subject to both sampling and non-sampling error. To date, the ABS has not published any standard errors for the Wage Cost Index quarterly movements, as the series needs to be available for some time before reliable variance estimates can be produced.</p> <p>30.41 However, as the sample for the Wage Cost Index has been selected using probability sampling, standard errors will be produced using statistical techniques, once data are available for a sufficient number of quarters. As the standard error will be an estimate itself, it too could be subject to some volatility. As a result, the ABS plans to publish smoothed relative standard errors as a measure of sampling error from the September quarter 2001.</p> <p>30.42 Currently, the method for assessing the reliability of indexes has been based on the number of matched jobs (i.e. jobs for which data for both the current and previous quarters are available) contributing to each specific index, with indexes for various combinations of State, sector, industry or occupation being made available for release on this basis. Early analysis suggests that the number of matched jobs contributing to an index is closely linked with the relative standard error of the quarterly movement of the index.</p>
DATA COMPARABILITY OVER TIME	30.43 The Wage Cost Index collection methodology has not changed since its inception in September quarter 1997.
FURTHER INFORMATION	30.44 For further details contact the Assistant Director, Labour Price Index on Perth (08) 9360 5913.

CHAPTER 31

ECONOMIC ACTIVITY SURVEY

INTRODUCTION

31.1 The Economic Activity Survey (EAS) provides key measures on the income and expenditure of Australian industries. As part of this process, data are also collected on wages and labour costs. Estimates from the survey are used by analysts in the public and private sectors to monitor changes in the operation, structure and performance of private and public trading enterprises.

SURVEY OUTPUT

31.2 Estimates are published annually in *Business Operations and Industry Performance, Australia, Preliminary* (Cat. no. 8142.0) and *Business Operations and Industry Performance, Australia* (Cat. no. 8140.0).

31.3 The main series compiled include:

- number of operating management units and employment by industry division;
- income and expenditure and balance sheet items; and
- industry averages and ratios.

31.4 Estimates can be cross classified by industry division and sub-division, and by business size.

31.5 Employment is defined in the survey as “the number of persons working for this business during the last pay period ending June” and includes: working proprietors; working partners; permanent, part-time, temporary and casual employees; managerial and executive employees; and employees absent on paid or pre-paid leave. Self employed persons are excluded. The definition of employment used in the survey is similar to that used in other ABS business surveys and excludes most self-employment jobs. See Chapter 3 for further information on the concept of employment, and on definitions of employment used in ABS household and business surveys.

SCOPE AND COVERAGE

31.6 The scope of the Economic Activity Survey is all employing businesses in the Australian economy except for:

- units belonging to the following ANZSIC subdivisions:
 - 81 Government Administration;
 - 82 Defence;
 - 97 Private Households Employing Staff;
- businesses classified to the General Government sector (government-owned Public Trading Enterprises are included); and
- agricultural businesses with an estimated value of agricultural operations of less than \$22,500.

SCOPE AND COVERAGE
continued

31.7 Coverage of the survey varies in accordance with other specific industry collections being undertaken in the reference year. Thus, all units in Agriculture, Mining, Manufacturing, Electricity and Gas and some service industries were excluded from the Economic Activity Survey in respect of 1999–2000 to avoid duplication with other collections being undertaken in these industries for this reference year. In addition, data from the Australian Taxation Office and the Australian Prudential Regulation Authority are incorporated with directly collected data. The Australian Taxation Office data include information on non-employed businesses, details of which are not stored on the ABS Business Register.

SURVEY METHODOLOGY

31.8 A number of collection methods are used. Data for the units collected directly are obtained using a mail-out/mail-back collection methodology. This is supplemented by dropoff/pickup and telephone interviewing of selected units. Data are also obtained electronically from other ABS collections, and unit record data are obtained as administrative by-product data from the Australian Taxation Office and the Australian Prudential Regulation Authority.

31.9 The survey reference period is the year ending 30 June.

31.10 Businesses that do not respond by the due date are initially sent reminder letters and then followed up by telephone.

SAMPLE DESIGN

31.11 EAS uses a single stage stratified random sample which selects a sample of Management Units (MUs) from the ABS Business Register. The sample selections are undertaken using simple random sampling without replacement. The sample is controlled for overlap with past and future selections as well as with selections in other ABS economic surveys.

31.12 The frame is stratified by industry group and employment size of the management unit, whether the unit has been included as part of the survey groups for which ATO data are used, and whether the business is incorporated or unincorporated.

Sample Size and Allocation

31.13 Data are collected directly from about 10,500 MUs. Data from an additional 7,500 units are collected in other ABS annual economic collections and then transferred to EAS. Data are also obtained for approximately 72,000 businesses from the ATO as a by-product of its data collection on business tax returns for the calculation of business income tax liability.

31.14 The sample design for the EAS collected units is based on achieving RSEs of 2% at the Australian level and averaging 6.5% at the sub-division level.

Sample Re-Selection and Rotation

31.15 The EAS sample is re-selected every year. Where possible, small businesses (those with less than 20 employees) are rotated out of the survey after 3 years.

ESTIMATION

31.16 Number raised estimation is used.

31.17 Non-response is kept to a minimum by the use of intensive follow-up. Where possible, historical data are used for imputing non-responding units. Where units have not provided data previously or had not been selected in previous surveys Live Respondent Mean is used. Clerical imputation is used where only partial responses are received.

31.18 Survey outliers are treated using the 'surprise outlier' technique.

31.19 The estimation procedure includes new business provisions, which adjust estimates to allow for the time lag between businesses commencing operation and their inclusion on the ABS Business Register.

31.20 For further information on estimation methods used in ABS Business Surveys, refer to Chapter 23.

RELIABILITY OF THE ESTIMATES

31.21 Estimates from the survey are subject to both sampling and non-sampling error. The relative standard errors of survey estimates are published in *Business Operations and Industry Performance, Australia* (Cat. no. 8140.0).

DATA COMPARABILITY OVER TIME

31.22 In order to provide a high degree of consistency and comparability over time, changes to survey methods, survey concepts, data item definitions, frequency of collection, and time series analysis methods are made as infrequently as possible. Significant changes have included:

1993–94 Industry classification changed from ASIC to ANZSIC.

1994–95 Expansion of questionnaire to collect data for Input-Output purposes.

1997–98 Inclusion of Tourism Satellite Accounts questions.

FURTHER INFORMATION

31.23 For further details contact the Assistant Director, Economic Activity Survey on Canberra (02) 6252 7045.

LIST OF ABBREVIATIONS

ABN	Australian Business Number
ABR	Australian Business Register
ABS	Australian Bureau of Statistics
ABSCQ	Australian Bureau of Statistics Classification of Qualifications
AJS	Australian Job Search
ANZ	Australia and New Zealand Banking Group
ANZSIC	Australian and New Zealand Standard Industrial Classification
ARA	Any Responsible Adult
ASCCSS	Australian Standard Classification of Countries for Social Statistics
ASCED	Australian Standard Classification of Education
ASCO	Australian Standard Classification of Occupations
ASGC	Australian Standard Geographic Classification
ASIC	Australian Standard Industrial Classification
ATO	Australian Taxation Office
ATSI	Aboriginal and Torres Strait Islander
AWE	Survey of Average Weekly Earnings
AWOTE	Average Weekly Ordinary Time Earnings
CCLI	Classification and Classified List of Industries
CCLO	Classification and Classified List of Occupations
CD	Census Collection District
CE	completely enumerated
CES	Commonwealth Employment Service
CI	confidence interval
DEETYA	Department of Employment, Education, Training and Youth Affairs
DEWRSB	Department of Employment, Workplace Relations and Small Business
DSS	Department of Social Security
EAS	Economic Activity Survey
EEH	Survey of Employee Earnings and Hours
GST	Goods and Services Tax
ICLS	International Conference of Labour Statisticians
ICSE	International Classification of Status in Employment
ICT	Information and Communications Technology
ILO	International Labour Organisation
IRC	Industrial Relations Commission
ISIC	International Standard Industrial Classification of All Economic Activities
LCI	Labour Cost Index Survey
LGA	Local Government Area
LPI	Labour Price Index
MSR	Major Statistical Region
MU	Management Unit
MUS	Management Unit/State

LIST OF ABBREVIATIONS *continued*

NDS	National Data Set for Compensation-based Statistics
NOHSC	National Occupational Health and Safety Commission
PAYE	Pay As You Earn
PAYG	Pay As You Go
PNILF	Persons Not in the Labour Force
PSU	Primary Sampling Unit
RSE	relative standard error
S Dist	Statistical District
S/T	State/Territory
SACC	Standard Australian Classification of Countries
SD	Statistical Division
SE	standard error
SEAS	Survey of Employment Arrangements and Superannuation
SEE	Survey of Employment and Earnings
SEIFA	Socio-Economic Indexes for Areas
SESCA	Standard Economic Sector Classifications of Australia
SISCA	Standard Institutional Sector Classification of Australia
SLA	Statistical Local Area
SNA	System of National Accounts
SOS	Section of State
SR	Statistical Region
SRS	Statistical Region Sector
SSD	Statistical Subdivision
UC/L	Urban Centre/Locality
WCI	Wage Cost Index

APPENDIX

INTERNATIONAL GUIDELINES ON DISSEMINATION AND ABS PRACTICE

As statistics generally have assumed a more important role in the day to day activities of modern economies and societies, a number of international agencies including the International Monetary Fund and the ILO have put forward a range of proposals and guidelines for the dissemination of data; the methodology of its collection and compilation, and evaluation as to its accuracy; relevance to the phenomena measured; and quality of the output.

In particular, the ILO at its 1998 ICLS endorsed a set of 20 guidelines concerning dissemination practices for labour statistics. How these compare with current ABS release practices is outlined in the following section.

2.1 LABOUR STATISTICS DISSEMINATION — ICLS GUIDELINES AND ABS PRACTICE

ICLS GUIDELINES	ABS PRACTICE
ACCESS	
<p>1 Ready access should be provided to data and metadata and they should be actively disseminated and publicised.</p> <p>Subject to national data protection restrictions, micro-data that protect the confidentiality of respondents should be made available — at least for research purposes.</p>	<p>The ABS public good policy (outlined above) ensures ready access to the data from its statistical collections. Unpublished data are also generally available on request.</p> <p>Metadata are disseminated alongside the data they relate to in explanatory notes, glossaries, commentary, and other material associated with each statistical collection.</p> <p>Micro-data, also referred to as unit record data, are available from a number of statistical collections. The release of unit record data is subject to strict release provisions to protect confidentiality. Unit record data are made available to a number of Australian universities for academic and teaching purposes.</p>
<p>2 A variety of statistical products should be derived from each data set, using appropriate dissemination media in each case.</p>	<p>A wide range of products is used to disseminate ABS statistics including publications, information papers, articles and data reports. Information is available in printed and electronic form.</p>
<p>3 The professionalism of statistical agency staff should encompass the skills and techniques needed to design tables and charts, to communicate information effectively to users; also presentational and media skills.</p>	<p>The ABS employs professional staff who are trained in a variety of disciplines, and possess the technical skills necessary to design, collect, process and disseminate information to users.</p>
<p>4 The initial release of the main labour aggregates into the public domain should be free of charge; an explanation of any charging policies that are followed by the statistical agency for additional outputs should be publicly available.</p>	<p>Main labour aggregates are released into the public domain free of charge. Charging policies and practices for more detailed data are publicly available.</p>
<p>5 The professional staff responsible for labour data should ensure their names and/or workplace telephone numbers are published with all statistical outputs; other forms of direct contact with users such as user groups and 'help lines' should be developed by the statistical agency.</p>	<p>Contact names and details of staff responsible for statistical collections are published with all outputs from those collections.</p> <p>The ABS provides a range of services to address users' general information needs including national statistical service, dial-a-statistic, library, Internet, and consultancy services.</p> <p>The ABS consults regularly with users to obtain feedback on directions for its statistical collections. In the field of labour statistics, an advisory group composed of key users of labour data has been formed as a forum to seek users' views on a range of labour statistics issues.</p>

ICLS GUIDELINES**ABS PRACTICE****ACCESS *continued***

6 Statistical agencies should regard the provision of data and metadata to international organisations as equivalent in importance to the supply of data to home customers; international organisations should adopt dissemination guidelines themselves.

The ABS makes data freely available to a number of international organisations.

INTEGRITY

7 The terms and conditions under which statistics are produced and released, including labour statistics, should be a matter of public record.

The terms and conditions under which statistics are produced are outlined in the Commonwealth Census and Statistics Act 1905 which describes the statistical information to be collected, the administration of statistical activities, obligations to answer questions, the publication of statistics, the release of other information, secrecy provisions, and the fines and penalties that can be imposed for the failure to comply with requests for information, or for the furnishing of false or misleading statements.

8 Those agencies that have technical responsibility and prepare analytical commentary on the data should have responsibility for releasing data.

The ABS has responsibility for the collection, compilation, analyses and release of data.

9 There should be prior announcement of the date of initial release of labour statistics including, where possible, the exact time. The earlier the advance notice the better, even if dates are issued initially on a provisional basis. When release deadlines are not met, the reason should be made publicly available.

Release dates are set in advance for ABS publications and other standard products.

The release dates for main economic indicators are set and published 12 months in advance. The release date for the next publication is advised in each main economic indicator release. Labour-related main economic indicators include:

- Labour Force Survey (Preliminary);
- Wage Cost Index; and
- Job Vacancies.

Other regular monthly and quarterly release dates are set and published six months in advance. The release date for the next publication is advised in each release. Labour-related monthly and quarterly releases include:

- Industrial Disputes;
- Average Weekly Earnings; and
- Employment and Earnings.

The month of release is set and published for annual and irregular releases twelve months in advance. The day of release is published three months prior to the release. Annual and irregular labour-related releases include:

- Employee Earnings and Hours;
- Labour Costs;
- labour-related supplementary surveys; and
- labour-related Special Social Surveys.

10 Data should be released the same day and at precisely the same time of day to all parties. If special privileges are given to journalists, this should be under 'lock-up' conditions.

All ABS data are embargoed prior to 11.30am on the day of their release. They are then simultaneously released in both electronic and printed copy. Pre-releases and lockups are severely restricted. If circumstances require either lockup or pre-release they are limited to a short period of time prior to general release.

ICLS GUIDELINES**ABS PRACTICE****INTEGRITY *continued***

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| 11 If demands for prior access to the data within governments cannot be resisted, the number of persons with advance access should be kept to an absolute minimum and a list of these persons should be maintained; the period of notice they are given should be kept as short as possible. | Prior access is only given for main economic indicators and then only to Ministers responsible for government policy covered by that field of statistics, and to their departments. The pre-release is limited to a short period of time prior to embargo time. Special conditions apply to ensure that the pre-release information is only used to prepare Ministerial comment at or shortly after the official release time. |
| 12 Ministerial commentaries and statements made at the time the statistics are released must be clearly distinguished from those of the statisticians. | Ministerial comment is only made after the official release of ABS data, and is clearly distinguishable from ABS analysis. |

DATA

- | | |
|---|---|
| 13 Where there are significant shortfalls in the coverage of national employment and unemployment totals, users should be made aware of this and reminded every time the data are released. Providing subtotals sufficiently reliable can be produced for the purpose to be served, their availability should be well publicised. | The ABS attempts to provide as many dissections of the data as accuracy will permit. Extensive use is made of Explanatory Notes, caveats and information papers to inform the public of any shortcomings in the data. |
| 14 Similarly, users should be made well aware of the reference period of the data. | The reference period associated with each collection is highlighted in publication titles, commentary and all associated output. |
| 15 If countries have the resources and there is evidence of user demand, the main aggregates should be released at least on a quarterly basis. Publication of information necessary for detailed structural analysis of the labour market should occur at least annually. | Estimates of the labour force are released monthly, while industry and occupation splits are released quarterly.

A further range of labour data is produced at quarterly, annual and less frequent intervals. |
| 16 Labour statistics should be released as soon as possible after the data have been assembled and analysed. When the source is a household or establishment survey conducted monthly or quarterly, data for the main aggregates should normally be available within a quarter of the end of the reference period to which they refer. Ideally, annual survey data should be released, at least on a preliminary basis, within a half year of the reference period. | ABS policy is to release monthly main economic indicators within the month following the end of the reference period; other monthly publications are released within 6 weeks of the reference period.

Quarterly main economic indicators should be released within two months of the reference quarter; other quarterly publications should be released within the quarter following the reference quarter.

Labour force supplementary surveys should be released within six months of the reference period.

Annual publications should be released within one year of the reference period.

For irregular collections the first major release should be within 12 months of the reference period.

Also see point 9 above. |

ICLS GUIDELINES	ABS PRACTICE
QUALITY	
<p>17 Regularly updated documentation on metadata — the definitions, methodology, sources, sampling error and other quality indicators, the questionnaires, forms, etc., used in preparing the statistics — should be made publicly available, including the degree of alignment with international recommendations.</p> <p>18 Where there are two or more sources of labour data, reconciliation or comparisons between them should be published regularly. Statistical frameworks and accounting schemes that support statistical cross-checks should also be developed.</p> <p>19 Users should be given adequate advanced warning of revisions and their implementation should be guided by a code of practice.</p> <p>20 The statistical agency should make estimates for missing periods whenever collection or collation of data is interrupted. Similarly, the effects of discontinuities should be estimated.</p>	<p>Metadata are disseminated along with the data to which they relate, in the explanatory notes, glossaries, commentary, and other explanatory material associated with statistical outputs.</p> <p>Major changes to forms, questionnaires or methodology are announced in special information papers.</p> <p>Reconciliations or comparisons and reasons for differences are published from time to time, usually in explanatory notes within publications, or in special information papers.</p> <p>Users are given adequate advance warning of major revisions, usually via an information paper prepared and published well in advance of implementation.</p> <p>In cases where there are large discontinuities, the effects of these discontinuities are estimated using the best methodology available.</p>

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