



STATISTICS

Service Industries

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WELCOME

A Message from the NSC Director

Welcome to the first issue of the re-formatted service industries statistics newsletter. It has been some time since we last released a newsletter and under a somewhat broader new format we now provide information on recent service industries related issues and updates, describe ABS work related to service industries statistics, advise on recent ABS publications and inform users about forthcoming ABS publications.

Also included in this issue is a discussion on an emerging issue important to service industries statistics, namely measurement options in relation to skill shortages in Australia's service industries.

Since the last newsletter the annual service industries survey program has been reviewed by the senior managers responsible for ABS economic statistics.

I would like to thank all the clients who contributed to the review of the annual service industries survey program and all those who contributed during the development of survey specifications for the 2006-07 reference year surveys.

The survey development work for the 2007-08 reference year surveys is scheduled to commence in May 2007. I would like to encourage clients to get involved in this process and raise any issues or concerns you have as early on in the process as possible.

In closing, I wish to thank the many clients that continue to give their valuable time to service industries staff by discussing their respective industry issues and information

needs. We would appreciate any feedback you would like to provide regarding the usefulness of the information presented.

Melanie Taylor
Director
Service Industries National Statistics Centre

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CURRENT ISSUES

Skill shortages and the services industries

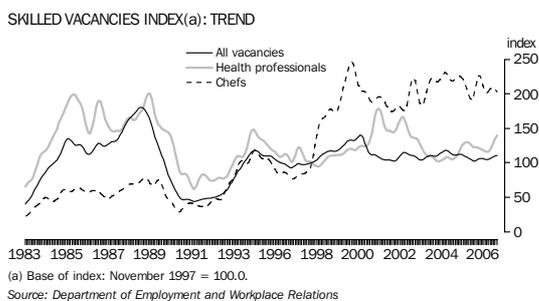
Introduction - what are skills shortages and why do they matter?

Skill shortages refer to situations when there is a shortfall in supply of workers with certain skills and employers are unable to fill vacancies without considerable difficulty. These shortages generally refer to hiring difficulties in occupations requiring a significant period of training and/or experience in a specialised field.

Service industries contributed over half of Australia's Gross Domestic Product in 2004-5 and employed 7.3 million people (ABS 2006). As such, skill shortages in the employment-intensive services industries can adversely impact on both the efficiency of production and future investment across a large part of the Australian economy.

Measuring skills shortage

One approach to measuring and understanding skill shortages is to analyse labour market indicators, such as the Department of Employment and Workplace Relations (DEWR) skilled vacancies index. This measure is based on a count of skilled vacancies in major metropolitan newspapers. The graph below shows the "All Vacancies" index and also presents indexes for two skilled occupations of relevance to the services industries (Chefs and Health Professionals). The trend for "All Vacancies" has increased (with reference to November 1997) as have vacancies for Chefs and Health Professionals.



Another approach to measuring skills shortages is through employer-based surveys: these have the potential to provide very specific and detailed information. However, detailed insights into skills shortages are likely to require a relatively large sample size and the cost of such a survey may be prohibitive. The reliability of the statistical information will also be affected by the ability of employers to report consistently on a complex and conceptually challenging issue.

Currently there is no single measure of skills shortage and the choice of measurement is largely determined by the availability of reliable data.

Our work and skills shortages in the services industries

Bridging the skills divide (Commonwealth 2003) highlighted the importance of having sound statistical information on which to manage and respond to skills shortages across the Australian economy. During recent consultations, stakeholders indicated the importance of measuring skills shortages in some service industries. Consequently, in an attempt to derive a proxy measure of the skills shortage in service industries, questions relating to the presence of skilled non-residents in the work force are included in the 2006-07 Economic Activity survey on 'Television, Film and Video Production Services'. This outward looking focus will continue through ongoing consultation with Services Industries stakeholders and we expect that skill shortages will remain a topic of interest for some time.

In other developments the ABS is working on a 'common survey instrument' to collect information on labour and skill shortages. The instrument contains a set of core or universal questions to be asked in skills shortage surveys and a survey methodology (see: <http://www.skillsinfo.gov.au/skills/SkillsIssues/SkillsInDemand/> for more background). This project was in response to concerns raised by the Council of Australian Governments (COAG) who have asked the ABS to:

- examine the methodology used in DEWR's Survey of Employers who have Recently Advertised (SERA);
- work with DEWR to determine whether it is possible to devise a common survey instrument for use by stakeholders to measure skill shortages in particular regions or industries; and
- investigate the costs of producing reliable estimates of skills in demand by occupation at the national and state/territory level.

More generally, the ABS has re-developed two key economic classifications to ensure that labour market and industry statistics remain relevant to current issues: the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 and the Australian and New Zealand Standard Classification of Occupations (ANZSCO) 2005. The ANZSCO in particular has a strong skills focus and has been revised in partnership with key stakeholders, such as employers and the DEWR.

Further reading - Western Australia as a case study

The December Quarter 2005 and March Quarter 2006 editions of *Western Australian Statistical Indicators* (ABS Cat. No. 1367.5) includes a special article on Skills Shortages in Western Australia ([part 1](#) and [part 2](#), respectively).

References

Australian Bureau of Statistics (2006). *Year Book Australia, 2006*. ABS Catalogue No. 1301.0.

Commonwealth (2003). The Senate. Employment, Workplace Relations and Education References Committee - *Bridging the skills divide*.

Department of Employment and Workplace Relations (2007). <http://www.workplace.gov.au/workplace/Category/ResearchStats/LabourMarketAnalysis/VacancyReports/>

ABOUT OUR WORK

Service Industries Survey Program

The Annual Service Industry Forward Work Program was considered by the senior managers responsible for ABS economic statistics. The process included an assessment of all known requirements in light of a number of criteria including pragmatic issues of ABS capacity and methodological feasibility. For details of the program please visit the [Service Industries Themes](#) at ABS website. If you have any queries or comments, please do not hesitate to contact the Service Industry National Statistics Centre by email:

service.industries.program@abs.gov.au

Once again we would like to thank all those who contributed to the Service Industries Survey program review.

Development of service industry surveys

The ABS is planning to conduct surveys on Pubs, Taverns and Bars; Clubs (Hospitality); Public Libraries; Museums; and Legal Practices in respect of the 2007-08 financial year. The Service Industry National Statistics Centre (SI-NSC) will commence consultation with relevant stakeholders in May 2007.

The aim of stakeholder consultation is to develop a common understanding between the ABS and key clients of the purpose of each survey and the survey requirements relative to the purpose (priority) – e.g.: identify and prioritise the content, accuracy, scope; and significant issues that could impact on the survey development, implementation or output.

For the purpose of identifying relevant stakeholders for consultations in the broad development phase, the SI-NSC will contact those organisations that made relevant submissions to the 2005 Service Industry Survey Forward Work Program review.

If you did not make a relevant submission to the review but would still like to be included in the development of any of these surveys or would like further information please contact the SI-NSC by email:

service.industries.program@abs.gov.au

RECENT PUBLICATIONS

RECENT ABS SERVICE INDUSTRIES PUBLICATIONS

Since the release of the last newsletter the results of the following ABS surveys have been released.

Tourism Marketing Expenditure (cat. no. 8691.0). This publication presents broad information about the level of expenditure by Australian private sector businesses on the marketing of Australian tourism domestically and internationally. Expenditure on the marketing of outbound tourism was excluded from the survey.

Australian Industry 2004-2005 (cat. no. 8155.0) This publication presents estimates of the economic and financial performance of Australian industry for 2004–05, together with data on a comparable basis from 2001–02 and intervening years.

Clubs, Pubs, Taverns and Bars, Australia (cat. no. 8687.0). This publication presents results from a survey of businesses engaged in pubs, taverns, bars and hospitality club services during the 2004–05 financial year.

Gambling Services, Australia (cat. no. 8684.0). This publication presents a range of statistics in respect of businesses engaged in the provision of gambling services including casinos for the 2004–05 financial year.

Sports and Physical Recreation Services, Australia (cat. no. 8686.0). This publication presents results from a survey of businesses/organisations engaged in sports and physical recreation services during the 2004–05 financial year.

Travel Agency Services, Australia (cat. no. 8653.0). This publication presents results, in respect of the 2003–04 financial year, from a collection of businesses whose main activity was the provision of travel agency services.

UPCOMING PUBLICATIONS

Retail Industry, Australia (cat. no. 8622.0), 2005–06 is expected to be released by mid 2007.

Wholesale Industry, Australia (cat. no. 8638.0), 2005–06 is expected to be released by mid 2007.

FURTHER INFORMATION

ABS encourages further dissemination of this newsletter through email, or by its placement on your organisation's intranet.

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