

Labour Stats 101: labour force

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Introduction

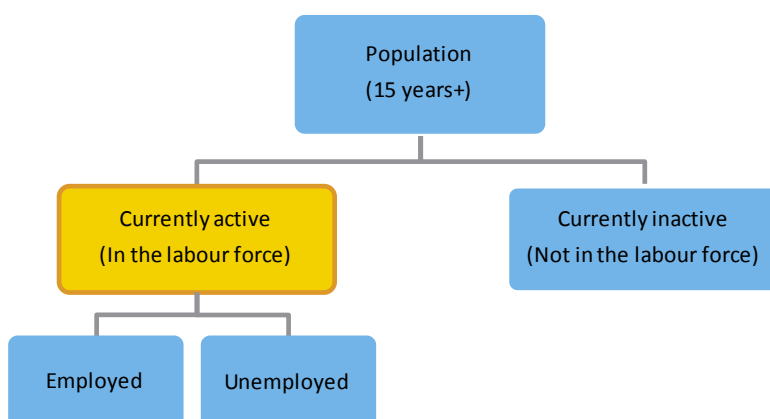
This guide provides a brief overview of the labour force, an introduction to some of the key concepts and terminology, and lists some relevant data sources. This is one in a series of Quick Guides related to labour statistics, designed to provide a basic understanding of Australian labour market data. Other guides include [employment](#) and [unemployment](#), which are available from the Parliamentary Library website.

What is the labour force?

The labour force is the sum of employed people and unemployed people.

The [International Labour Organization \(ILO\)](#) defines [employed people](#) as those above a specified age (15 years and over) who engaged in some work during the reference period, as well as some persons who are temporarily absent from work. The [unemployed](#) are therefore persons who are without work, but who are actively seeking work and currently available for work. A third group of people, those [not in the labour force](#), round out the three mutually exclusive categories that form the labour force framework (see diagram below).

[Labour force framework](#)



Source: ABS, [Labour Statistics: Concepts, sources and methods, 2013](#), Cat. no. 6102.0.55.001

Common terms

The labour force is often referred to as the 'work force' or the 'active population', and the participants may be described as those who are 'currently economically active'. In Australia, data on the labour force usually, but not always, relate to people aged 15 years and over. Labour force data is sometimes presented with (or available only to) an upper age limit, which is generally the retirement age (e.g. 15 to 65 years). The data may then be referred to as 'the working age population' or similar descriptor. Labour force data may be further stratified, through the use of a 'prime working age' group (e.g. 25 to 54 years).

What are the key measures?

Labour force status

The Australian Bureau of Statistics (ABS) conducts a monthly [Labour Force Survey](#). This household survey is designed to produce key labour force estimates from a sample of approximately 56,000 people. The survey's definitions closely align with international standards and guidelines.

Each month the [ABS](#) produces estimates of the labour force and releases original, seasonally adjusted and trend data. Data is available by labour force status (i.e. employed, unemployed and not in the labour force) and age, sex, social marital status, state or territory of residence, educational attendance, plus a range of other variables related to employed and unemployed people.

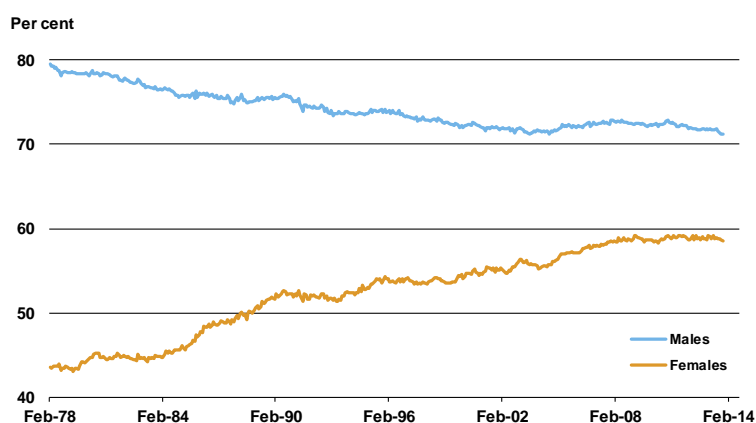
Participation rate

The [Reserve Bank of Australia \(RBA\)](#) describes the participation rate as an important indicator of the supply of labour. It is used to measure the share of the working-age population either working or looking for work (i.e. employed or unemployed).

The participation rate is the labour force (aged 15 years and over) expressed as a proportion of the civilian population for the same age group (e.g. 15 years and over).

Graph 1 shows the participation rate by sex and provides an indication of the changes that have occurred in men's and women's labour force participation over the past three decades. As men's participation has declined, women's has increased. The [RBA](#) suggests changes to female participation over this period reflect a range of social changes, including: higher educational attainment, improved access to child care, and more flexible working arrangements.

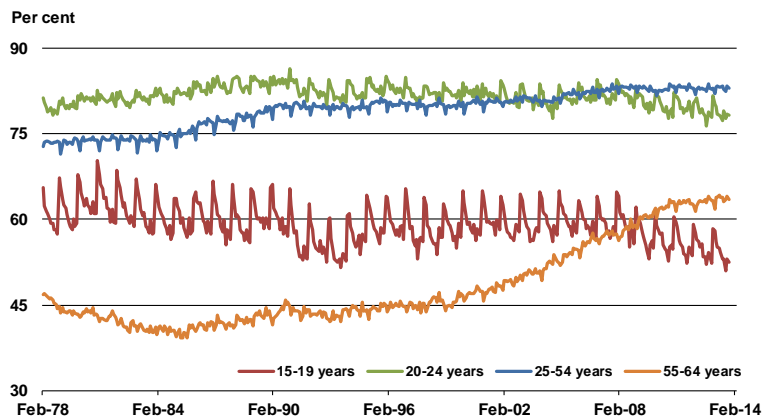
1. Labour force participation rate by sex – seasonally adjusted



Source: ABS, [Labour force, October 2013](#), Cat. no. 6202.0

Graph 2 shows participation rates by selected age groups and provides insight into the changing workforce landscape. Over the past three decades there has been a notable increase in the participation rate of people aged 55 to 64 years. The [RBA](#) suggests reasons for this change include: incentives to work longer (e.g. reduced tax rates for older workers), improved employment opportunities, access to jobs that are less physically demanding, better health and greater longevity.

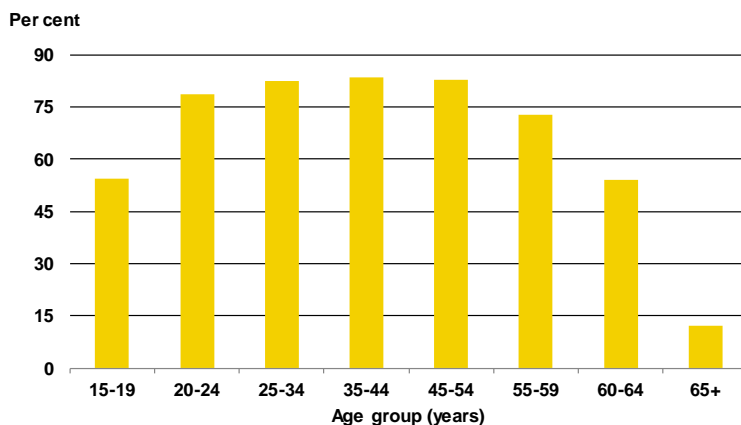
2. Labour force participation rate by selected age groups – original



Source: ABS, [Labour force, detailed – electronic delivery, October 2013](#), Cat. no. 6291.0.55.001

Graph 3 provides annual average participation rates for selected age groups in 2012-13. The rates highlight the changing age structure of the workforce as people enter and exit the labour force.

3. Average participation rate by selected age groups, 2012-13 – original



Source: ABS, [Labour force, detailed – electronic delivery, October 2013](#), Cat. no. 6291.0.55.001

Summary of available data sources

The ABS produces labour force estimates through the monthly *Labour Force Survey*. Labour data is also available from a range of supplementary and multi-purpose household surveys, social surveys and some business surveys. Key indicators are available from: [Labour force](#), Cat. no. 6202.0; and [Labour force, detailed – electronic delivery](#), Cat. no. 6291.0.55.001.

The Statistics and Mapping Section of the Parliamentary Library provide regular updates of the participation rate based on ABS data in the [Monthly Statistical Bulletin](#), see '1.3 Labour force'.

Regional data

Regional estimates of the labour force are released by the ABS in:

- [Labour force, detailed – electronic delivery](#), Cat. no. 6291.0.55.001 – see Table 16 and Data Cube RM1. Also available are estimates by Capital city/Balance of State – see Data Cubes LM1 and LM2.

The ABS is also responsible for collecting and disseminating results from the five-yearly *Census of Population and Housing*. The [Basic Community Profile](#) series provides selected labour force data for small statistical areas (e.g. Commonwealth and State Electoral Divisions), including male and female labour force participation rates.

The Labour Market Research and Analysis Branch of the Department of Employment releases regional labour force data in the quarterly publication [Australian regional labour markets](#). Estimates include employment, unemployment, the participation rate, unemployment rate and employment rate.

The Parliamentary Library's [Small Area Labour Market Data](#) webpage provides estimates of the number of people in the labour force by Statistical Local Area (SLA) and (Commonwealth) Electoral Division. More information on Statistical Region Structures is available from the ABS publication [Australian Standard Geographical Classification \(ASGC\)](#), Cat. no. 1216.0.

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