Employment statistics: a quick guide

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Introduction

This guide provides a brief overview of employment, an introduction to the key concepts and terminology, and lists relevant data sources. This is one in a series of statistical quick guides, designed to provide a basic understanding of Australian labour market data. Other guides include labour force, unemployment and youth unemployment, which are available from the Parliamentary Library website.

In the labour force framework, employed people form part of the economically active population, who along with the unemployed constitute the labour force (see diagram below).

**Labour force framework**

Who are employed people?

The International Labour Organization (ILO) (p.21) describes employed people as those of working age who during a short reference period (e.g. week) engaged in any activity to produce goods or provide services for pay or profit (e.g. employees, self-employed). This includes employed persons “at work” (i.e. at least one hour) and those who were “not at work”, either temporarily, or due to working-time arrangements (e.g. shift roster).

While one hour of work is acknowledged as being insufficient to survive on, it is also argued that all work, no matter how small an amount, contributes to the economy. Using the parameter of ‘one hour or more’ consistently across countries allows employment figures to be compared internationally. The Australian Bureau of Statistics (ABS) suggests that any cut-off point is subject to debate. For example, using 15 hours per week as the definition of employed would exclude people who worked 14.5 hours, but there may be little difference between these two workers and one would be classified as ‘employed’ and the other as ‘unemployed’. The ABS also acknowledges that some people who work limited hours choose to do so, while others do not. The theme of Underemployment (e.g. workers who would prefer to work more hours) is covered in a separate quick guide.

Full-time and part-time workers

By collecting information on people who work ‘one hour or more’, the ABS is able to compile a range of hours-related data, including those who work full-time or part-time, or distributions of work hour patterns. The monthly Labour Force release includes trend, seasonally adjusted and original estimates of people employed full-time (35 hours or more) and part-time (less than 35 hours). The detailed monthly release includes estimates of actual and usual hours worked. The quarterly release provides actual hours worked by industry, by occupation, or by status in employment. The more detailed hours worked data also allows for customised definitions of employment to be calculated.

How is employment measured?

The ABS conducts a monthly Labour Force Survey. This household survey is designed to produce key estimates of employment (and unemployment) from a sample of approximately 50,000 people. The survey’s definition of employment closely aligns with international standards and guidelines.

Employed persons are those aged 15 years 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 (employees and owner managers), or
- worked for one hour or more without pay in a family business or on a farm (contributing family workers), or
- had a job, business or farm, but were temporarily not at work (see below).

Note that the Labour Force Survey excludes some groups of people, including those living in institutions, members of permanent defence forces, certain diplomatic personnel, and overseas residents. More information is available from the ABS.

Temporary absences from work

Employees who had a job, who were not at work during the reference week but met the following criteria, are counted as employed. The period of absence was:

- less than four weeks up to the end of the reference week, or more than four weeks up to the end of the reference week but pay was received for some or all of the four week period, or
- due to a standard work or shift arrangement, or
- being on strike or locked out, or
- being on workers’ compensation and expected to return to their job.
Owner managers (i.e. self-employed) who had a job, business or farm, but were not at work during the reference week are still considered to be employed, as there is an implied attachment to work through the operation of an enterprise.

Contributing family workers, that is, those people who usually work without pay in an economic enterprise owned by a relative, but were absent from work during the reference week are not considered to be employed as they neither received pay nor operated an enterprise.

What are the key measures?

The number of employed people (head count)

Each month the ABS estimates the number of employed people aged 15 years and over. Data is available by age, sex, social marital status, country of birth (limited), state or territory of residence, labour market region, full-time educational attendance (youth only), status in employment (e.g. employee, employer), and hours worked.

Chart 1 (below) provides employed people by sex from the start of the data series until the most recent period. Changes in the level, or number, of employed people (increases or decreases in the number of ‘workers’) are sometimes mistakenly referred to as gains or losses of jobs. However, the number of jobs and employed people are not interchangeable, see the Parliamentary Library FlagPost, ‘Employed people or jobs: semantics or an important difference in terminology?’

1. Employed persons—trend

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Source: ABS, Labour force, Feb 2018, cat. no. 6202.0

Employment to population ratio

The ratio is employed people expressed as a proportion of the civilian population (in the same age group). The ratio is useful for examining trends in employment over time as it allows for fluctuations in the size of the population. Chart 2 (on the next page) provides the employment to population ratio by sex from the start of the data series until the most recent period.
2. Employment to population ratio—trend

![Graph showing employment to population ratio trend for men and women.]

Source: ABS, *Labour force, Feb 2018*, cat. no. 6202.0

**Other employment rates**

Employment rates are used to express the number of employed people as a proportion of a comparable total population—for example, the number of employed people in the working age population (15 to 64 years). Due to differing methods in calculating the unemployment rate, employment rates can be used as an alternate method of comparison when describing labour market conditions across countries or within populations. They are often used to assess employment by socio-demographic characteristics, such as gender, age or educational attainment. Chart 3 (below) provides the annual average employment rate by age for 2017. This calculation expresses each age group of workers as a proportion of all people in that same age group, by sex.

3. Employment rate by selected age groups, 2017—annual average

![Bar chart showing employment rates by age group.]

Where do I find regional data?

The following sources provide regular employment data for the smallest geographic areas available (excluding the Census):

- **Labour force, detailed – electronic delivery**, cat. no. 6291.0.55.001, Table 16, Table 16b (annual average series) and Data Cube RM1.
- **Labour force, detailed, quarterly**, cat. no. 6291.0.55.003, Data Cubes RQ1 (industry) and RQ2 (occupation).

Most of the data is from the original (unadjusted) series and, due to the small sample sizes, the sampling errors with some estimates may be quite high. The use of an annual average is recommended, as is caution when interpreting the data.

What is Statistical Area Level 4 (SA4)?

An SA4, also referred to as a ‘Labour market region’, is a geographic area designed for the dissemination of labour force estimates. SA4s generally reflect key labour market areas within each state and territory. The Labour Force Survey provides data for 87 spatial areas across Australia. For more information see Australian Statistical Geography Standard (ASGS): Volume 1 – Main structure and Greater capital city statistical areas, July 2016, cat. no. 1270.0.55.001 (Main Structure > Statistical Area Level 4 (SA4)). The Parliamentary Library provides a correspondence between Commonwealth Electoral Divisions and selected geographies (including SA4s) via the Library portal, see ‘Your electorate’ > ‘Population’.

Where do I find data for smaller geographic areas (e.g. Census)?

The ABS is responsible for collecting and disseminating results from the five-yearly Census of Population and Housing. The most recent Census was held in August 2016. The General Community Profile series provides selected information for small statistical areas, including Commonwealth Electoral Divisions (2016 boundaries). The data set includes: labour force status (by age and sex), employment rates, full-time and part-time workers, industry of employment and occupation.

What other ABS employment data is available?

The ABS monthly Labour Force Survey (cat. no. 6202.0) is the key source of regular employment data. Labour data is also available from a range of supplementary household surveys, social surveys and some business surveys, some of these are summarised below.

**Characteristics of employment, August 2017**, cat. no. 6333.0

This release contains estimates of employed people by a range of characteristics, including: sex, age, state/territory, employment status (e.g. part-time), country of birth (broad groupings), status of employment (e.g. employees with/out paid leave entitlements), industry, occupation, sector, hours worked, weekly/hourly earnings, trade union membership and more. The microdata release also provides some survey data by SA4s.

**Employee earnings and hours, May 2016**, cat. no. 6306.0

This release contains a range of earnings estimates by various employee characteristics, including: sex, age, rate of pay (e.g. junior), method of pay setting (e.g. award), employment status (e.g. full-time), employee type (e.g. permanent), occupation, industry, state/territory, employer size and sector.

**Average weekly earnings, Nov 2017**, cat. no. 6302.0

This release contains data on employee earnings by sex, sector, state/territory and industry.
Where do I find data on ‘casuals’?
A widely used proxy measure for ‘casuals’ is employees without paid leave entitlements. This means that these employees do not receive pay for holidays, sick leave, or both. Generally, these people will receive some form of additional pay to compensate for the lack of paid leave entitlements (e.g. casual loading). For more information on casual employees, refer to the Parliamentary Library Statistical Snapshot: [Update to casual employee estimates–2004 to 2017](#).

What other data sources may be useful?

**Parliamentary Library**
The Statistics and Mapping Section of the Parliamentary Library provide regular updates on employed persons (based on ABS data) in the [Monthly Statistical Bulletin](#), see ‘1.1 Employment’.

**Department of Jobs and Small Business**
The Department of Jobs and Small Business publishes regional labour force data by ABS Labour force regions (SA4s) and Employment regions (Centrelink framework of 51 areas) through the [Labour Market Information Portal](#). Included are: the employment rate (15–64 years), occupation and industry of employment. The portal includes interactive maps and time series charts. The Department’s [Job outlook](#) portal provides industry divisions by detailed (unit group) occupations.

**Organisation for Economic Co-operation and Development (OECD)**
The [OECD Data](#) provides summary employment indicators, including comparison employment rates, for OECD member countries.