

Labour market terms and information

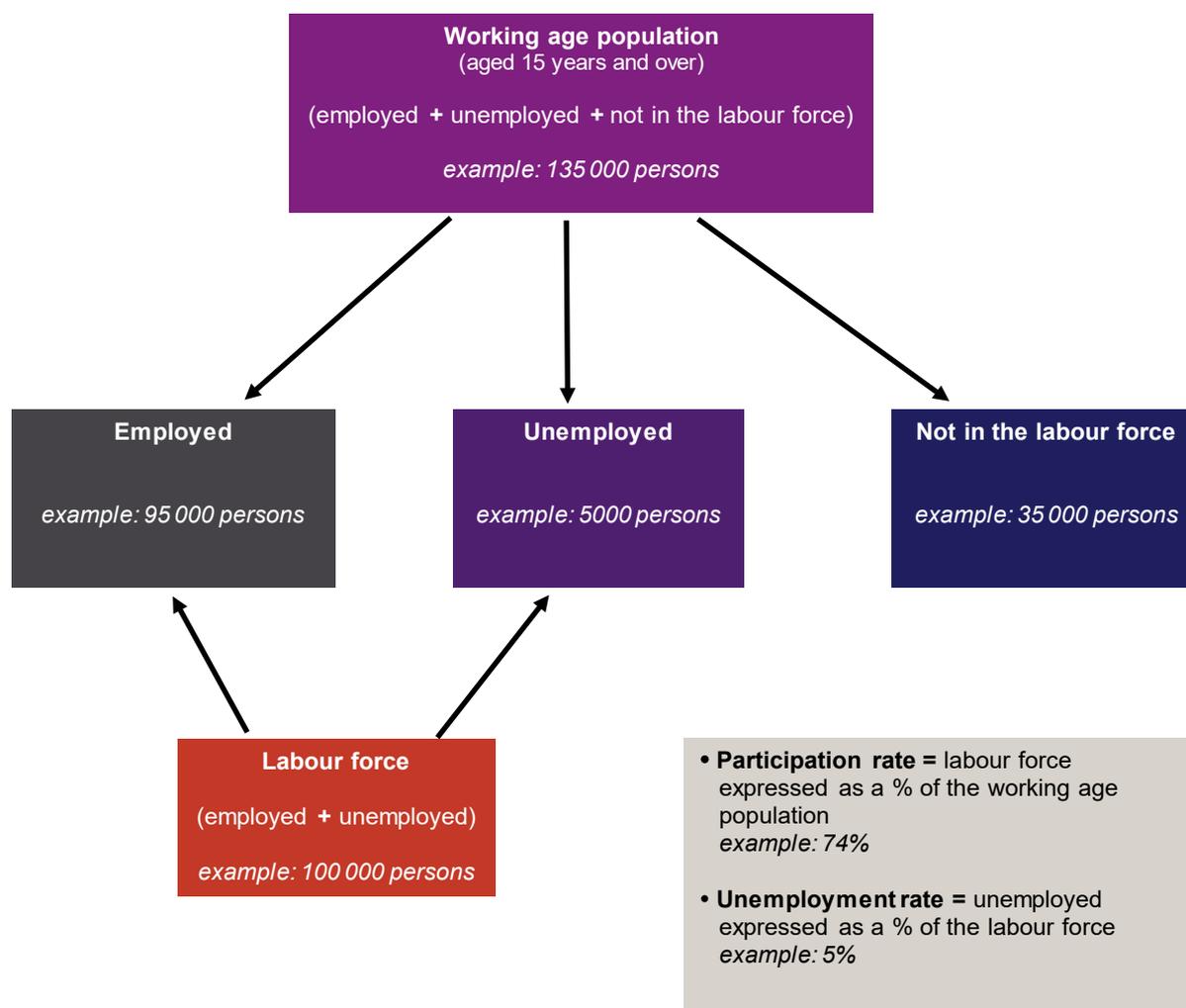
About this document

Following are definitions of commonly used labour market related terms and information on data sources used by the Department of Industry, Tourism and Trade (DITT), for the purpose of labour market analysis. Where possible and practical, simple examples have been provided to help explain the terms.

Labour market indicators

There are many interrelated components related to the labour market and a change in one component can result in changes to other components (Figure 1). No single indicator can give a comprehensive view of the labour market. For a more complete picture of the health of the Territory's labour market, a range of indicators should be considered concurrently.

Figure 1: Interrelationships of the labour market



Definitions of Terms

The following definitions of labour force related terms are predominantly based on those set out by the Australian Bureau of Statistics (ABS) in their Labour Force publication (Catalogue No. 6202.0). Other sources include DITT and Australian Government sources.

Actual hours of work

Actual hours of work is determined over a one week 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
- time corresponding to short rest periods.

Apprentice and trainee commencements

Apprentice or trainee commencements refer to the number of apprenticeship/traineeship training contracts that started in a given period.

Apprentice and trainee completions

Apprentice or trainee completions refer to the number of apprenticeship/traineeship training contracts that were successfully completed in a given period.

Average weekly earnings

Average Weekly Earnings (AWE) statistics represent average gross (before tax or other deductions such as superannuation) earnings and do not relate to average award rates. Estimates of AWE are derived by dividing estimates of weekly total earnings by estimates of number of employees.

Weekly total earnings of employees equal weekly ordinary time earnings ('ordinary earnings') plus weekly overtime earnings.

Ordinary earnings refer to one week's earnings attributable to normal hours of work. Excluded are amounts salary sacrificed, non-cash components of salary packages, overtime payments, reimbursements to employees for travel, entertainment, meals and other expenditure incurred in conducting the business of their employer.

Employed persons

An employed person is a person aged 15 years and over who, during a 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)

- worked for one hour or more without pay in a family business or on a farm (i.e. contributing family workers)
- was an employer or own account worker, who had a job, business or farm, but was not at work
- was an employee who had a job but was not at work and was:
 - away from work for less than four weeks up to the end of the specified week
 - away from work for more than four weeks up to the end of the specified week and received pay for some or all of the four week period to the end of the specified week
 - away from work as a standard work or shift arrangement
 - on strike or locked out
 - on workers' compensation and expected to return to their job.

Where Territory residents receive income support payments as participants of the Community Development Program (CDP), the ABS will classify them as unemployed or not in the labour force. For a more comprehensive consideration of how ABS classify participants on CDP or similar programs, refer to the [Australian Bureau of Statistics website](#)¹.

Estimated resident population

Estimated resident population (ERP) is a key population measure and is based on the concept of usual residence. ERP refers to all people who usually live in Australia, with the exception of foreign diplomatic personnel and their families. It includes usual residents who are overseas for less than 12 months over a 16 month period, and excludes overseas visitors who are in Australia for less than 12 months over a 16 month period.

Job vacancies (internet vacancy index)

The monthly Internet Vacancy Index (IVI) is based on a count of online job advertisements newly lodged on SEEK, MyCareer, CareerOne and Australian JobSearch during the month. Duplicate advertisements are removed before the IVI vacancies are coded to occupations based on the Australian and New Zealand Standard Classification of Occupations (ANZSCO).

Labour force

Labour force refers to the collective number of persons who were employed or unemployed (Figure 1).

Example: If there are 95 000 employed persons and 5000 unemployed persons, the labour force is 100 000 persons.

(employed + unemployed = labour force)

(i.e. 95 000 + 5000 = 100 000 persons)

¹
[https://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/9C2C3D92AB223545CA25822F000ED8B4/\\$File/6102.0.55.001%20-%20labour%20statistics%20-%20concepts,%20sources%20and%20methods.pdf](https://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/9C2C3D92AB223545CA25822F000ED8B4/$File/6102.0.55.001%20-%20labour%20statistics%20-%20concepts,%20sources%20and%20methods.pdf)

Labour market

The labour market is where buyers of labour (i.e. employers) and sellers of labour (i.e. employees) meet to satisfy job requirements within the Australian economy or marketplace. It is an arena where those who are in need of labour and those who can supply the labour come together. The labour market is in a constant state of flux and highly dependent on changing external influences.

The labour market can also be defined as the working age population that are usually residents of the jurisdiction and are a potential source of labour.

Jobseeker and youth allowance

Jobseeker Payment is payable to eligible unemployed persons aged 22 years and over (but below aged pension age).

Youth Allowance is payable to eligible full-time students aged 16 to 24 years, and to eligible unemployed persons aged 16 to 21 years.

Not in the labour force

Those who are not in the labour force are persons in the working age population who were not employed or unemployed (Figure 1). Persons not in the labour force include persons who were keeping house (unpaid), retired, voluntarily inactive (those who choose not to work), permanently unable to work (e.g. physically or mentally disabled) or who were imprisoned.

Participation rate

The participation rate is the labour force expressed as a percentage of the working age population. The participation rate represents the proportion of the population that are working (employed) or are available and willing to work (unemployed) (Figure 1).

Example: If there are 135 000 persons in the working age population and 100 000 persons are defined as being in the labour force (employed or unemployed), the participation rate is 74.1 per cent.

(labour force/working age population = participation rate)

(i.e. 100 000/135 000 = 0.741 or 74.1%)

Statistical errors

Survey data can be affected by two types of errors – sampling error and non-sampling error.

Please refer to the [Australian Bureau of Statistics website](https://www.abs.gov.au/websitedbs/a3121120.nsf/home/statistical+language+-+types+of+error)² for an overview on these terms.

² <https://www.abs.gov.au/websitedbs/a3121120.nsf/home/statistical+language+-+types+of+error>

Underemployed persons

Underemployed persons are employed persons who would prefer, and are available for, more hours of work than they currently have. They comprise:

- part-time workers who preferred and were available to work more hours
- full-time workers who worked part-time hours and were available to work full-time hours.

Underemployment rate

The number of underemployed workers expressed as a percentage of the labour force.

Example: If there are 3000 underemployed persons and a labour force of 100 000 persons, the underemployment rate is 3.0 per cent.

(underemployed/labour force = underemployment rate)

(i.e. 3000/100 000 = 0.03 or 3%)

Unemployed persons

Unemployed persons are those persons aged 15 years and over who were not employed and:

- had actively looked for work in the previous four weeks and were available to work
- were waiting to start a new job within four weeks and could have started if the job had been available.

Unemployment rate

The unemployment rate is the number of unemployed persons expressed as a percentage of the number of persons in the labour force.

Example: If there are 5000 unemployed persons and a labour force of 100 000 persons, the unemployment rate is 5.0 per cent.

(unemployed/labour force = unemployment rate)

(i.e. 5000/100 000 = 0.05 or 5%)

Working age population

Working age population includes all usual residents aged 15 years and over except members of the permanent defence forces, certain diplomatic personnel of overseas governments, overseas residents in Australia (visitors to Australia), and members of non-Australian defence forces (and their dependants) stationed in Australia.

Commonly referred to as the civilian population, the working age population consists of employed and unemployed persons and those not in the labour force (Figure 1).

Example: If there are 95 000 employed persons, 5000 unemployed persons and 35 000 persons not in the labour force, the working age population (aged 15 years and over) is 135 000 persons.

(i.e. 95 000 + 5000 + 35 000 = 135 000 persons).

Data sources

Following is a list of commonly used data sources to report on the labour market. To find out more about specific sources, please see the corresponding links below.

Australian Bureau of Statistics

The Australian Bureau of Statistics (ABS) is Australia's official national statistical agency. They collect, compile, analyse and disseminate information on a wide range of [social and economic matters](#)³ such as families and communities, consumer price index and gross domestic product. Their statistics are used by governments, business, industry organisations, academics and others seeking to understand Australian society and the economy.

[Australian Bureau of Statistics home page](#)⁴ has access to specific publications.

Australian Government Labour Market Information Portal

The Australian Government, through its Labour Market Information Portal (LMIP) produce a number of labour market related publications and datasets, including the Vacancy Report and associated Internet Vacancy Index. The LMIP also publishes high level labour market estimates for sub-regional geographies in the Small Area Labour Market publication and employment projections.

[Labour Market Information Portal](#)⁵

Northern Territory Government Department of Industry, Tourism and Trade

DITT produce labour market publications related specifically to the Territory. Key publications include the Northern Territory Skilled Occupation Priority List, Major Remote Towns Jobs Profiles, and periodical labour market briefs and infographics.

[Department of Industry, Tourism and Trade website](#)⁶

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<http://abs.gov.au/AUSSTATS/abs@.nsf/viewcontent?readform&view=ProductsbyTopic&Action=expandwithheader&Num=1>

⁴ <https://www.abs.gov.au/>

⁵ <http://lmip.gov.au/>

⁶ <https://business.nt.gov.au/>