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Glossary

Definitions of employment

There is continuing debate on the adequacy of current definitions to fully reflect the level of employment and participation in the workforce. To allow comparison of findings and commentary the Australian Bureau of Statistics (ABS) definitions are frequently used in this report.

The labour force refers to persons contributing to, or actively seeking to contribute to the supply of labour. Employed persons are those aged 15 years and over who have worked for at least one hour in the week of the survey (reference week).¹ The one hour per week definition of employment is the standard adopted by the International Labour Organisation in the late 1980s.² The use of one hour a week in the reference week clearly differs from full-time workers who usually work 35 hours or more a week (in one or more jobs).³

The ABS definition of participation rate in the labour force is expressed as a percentage of the civilian population aged 15 years and over.⁴

Unemployment and under-employment

The ABS defines unemployed persons as those who were aged 15 years and over who were not employed during the survey week and had actively

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- 1 Steering Committee for the Review of Government Services Provision, (2003) *Overcoming Indigenous Disadvantage: Key Indicators 2003*, Productivity Commission, Canberra, p. xxviii, and ABS 2004, *Labour Force Australia, 2003*, February 2004, (Cat. No. 6202.0), pp. 29-30.
 - 2 Mr John Wicks, Vice President, National Social Justice Committee, St Vincent de Paul Society, *Transcript of Evidence*, 19 March 2004, p. 62.
 - 3 Australian Bureau of Statistics (2004) *Labour Force Australia*, (Cat. No. 6202.0), April 2004, p. 29.
 - 4 Australian Bureau of Statistics (2004) *Labour Force Australia*, (Cat. No. 6202.0), April 2004, p. 29. This definition excludes members of the permanent defence force.

looked for full-time or part-time work at any time in the four weeks up to the end of the survey week.⁵ Long-term unemployment refers to people who have been unemployed for a period of 52 weeks or more.⁶ Although the official unemployment rate was below 6 per cent in 2004,⁷ it was estimated that 11.9 per cent of people were either looking for more hours than they had or to enter the labour force.⁸

Casual and/or part-time

The ABS defines a casual employee as someone who is not entitled to either paid recreation leave, sick leave or public holidays but who often receives a loading in lieu. There is also a perception that casual work refers to short-term, irregular and uncertain employment.⁹ A significant proportion (over 60 per cent) of casual employment is part-time, which is less than 35 hours a week of work (in one or more jobs).¹⁰

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- 5 Steering Committee for the Review of Government Services Provision (2003) *Overcoming Indigenous Disadvantage: Key Indicators 2003*, Productivity Commission, Canberra, p. xxviii, and Australian Bureau of Statistics, 2004, *Labour Force Australia, 2003*, February 2004, (Cat. No. 6202.0), pp. 29-30.
 - 6 Australian Bureau of Statistics, 2003, *Labour Force Australia*, February 2003, (Cat. No. 6203.0), p. 77.
 - 7 Australian Bureau of Statistics, 2004, *Labour Force Australia*, April 2004, (Cat. No. 6202.0) ABS Canberra pp. 1, 30.
 - 8 Mr Peter Anderson, Director, Workplace Policy, Australian Chamber of Commerce and Industry, *Transcript of Evidence*, 5 November 2003, p. 2.
 - 9 Chalmers J and G Kalb, *Are casual jobs a freeway to permanent employment?* Working Paper 8/2000, Monash University, July 2000, p. 2.
 - 10 Australian Bureau of Statistics, 2004, *Labour Force Australia*, (Cat. No. 6202.0), April 2004, p. 29.

General definitions

Actively looking for work	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 the Centrelink offices; being registered with Centrelink as a jobseeker; checking or registering with any other employment agency; advertising or tendering for work; and contacting friends or relatives.(a)
Attending full-time education	Persons aged 15 to 24 years enrolled at secondary or high school or enrolled as a full time student at a Technical and Further Education (TAFE) college, university, or other educational institution in the reference week.(a)
Attending school	Persons aged 15 to 19 years enrolled at secondary or high school in the reference week.(a)
Attending tertiary educational institution full time	Persons aged 15 to 24 years enrolled full time at a TAFE college, university, or other educational institution in the reference week, except those persons aged 15 to 19 years who were still attending school.(a)
Community Development Employment Projects (CDEP)	Provides employment and training opportunities to Indigenous people in a range of activities that benefit themselves and their communities. The CDEP scheme comprises community determined and managed activities and organisations.(b)
Civilian population aged 15 years and over	All usual residents of Australia aged 15 years 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.(a)
Disability	A person has a disability if he or she has a limitation, restriction or impairment, which has lasted, or is likely to last, for at least six months and restricts everyday activities. These activities include loss of sight (not corrected by glasses or contact lenses); or an aid to assist with, or substitute for, hearing; speech difficulties, shortness of breath or breathing difficulties causing restriction; chronic or recurrent pain or discomfort causing restriction; blackout, fits, or loss of

	consciousness; difficulty learning or understanding; incomplete use of arms or fingers, difficulty gripping and holding things; incomplete use of feet or legs; nervous or emotional condition causing restriction; restriction in physical activities or in doing physical work; disfigurement or deformity; mental illness or condition requiring help or supervision; long term effects of head injury, stroke or other brain damage causing restriction; receiving treatment or medication for any long term conditions or ailments and still restricted; or any other long-term conditions resulting in a restriction.(c)
Earned Income Tax Credit	A refundable tax credit (a form of negative income tax) that allows low income working parents to receive a credit against their income tax liability or a cash supplement if their taxable income falls below a certain amount.(d)
Economic Migrant	A person seeking to immigrate to another country for economic or employment purposes. The labour market characteristics of Independent and Skilled-Australian migrants are very similar. This does not include Family or Humanitarian migrants. (e)
Effective Marginal Tax Rates	The proportion of extra private income, which is lost to income tax, Medicare Levy and income tests on government cash payments. (f)
Employed	All persons aged 15 years and over who, during the survey (reference) week: <ul style="list-style-type: none"> - 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: <ul style="list-style-type: none"> - 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

	<p>all of the four week period to the end of the reference week; or</p> <ul style="list-style-type: none"> - away from work as a standard work or shift arrangement; or - on strike or locked out; or - on workers' compensation and expected to return to their job; or - were employers or own account workers, who had a job, business or farm, but were not at work.(a)
Employment to population ratio	For any group, the number of employed persons expressed as a percentage of the civilian population in the same group.(a)
Full-time workers	Employed persons who usually worked 35 hours or more a week (in all jobs) and those who, although usually working less than 35 hours a week, worked 35 hours or more during the survey (reference) week.(a)
Income test stacking	Income test stacking occurs when people lose benefits from more than one program simultaneously. This is due to multiple income tests being used to determine a range of social security payments. For example, when a person earns an extra dollar in wages they lose 30c of Family Tax Benefit and 40c of family allowances. (g)
Indigenous	A person of Aboriginal and/or Torres Strait Islander origin who identifies as an Aboriginal and/or Torres Strait Islander.(b)
Labour force	For any group, persons who were employed or unemployed, as defined.(a)
Labour force status	A classification of the civilian population aged 15 years and over into employed, unemployed or not in the labour force, as defined. The definitions conform closely to the international standard definitions adopted by the International Conferences of Labour Statisticians.(a)
Mature age workers	Mature age workers are defined as employed people aged 45-64 years.(h)
Non-Indigenous	A person who is not of Aboriginal and/or Torres Strait islander origin.(b)
Not in labour force	Persons who were not in the categories employed or unemployed as defined.(a)

Participation	Participation is defined as the extent to which the population is willing and able to work. This work may be full-time, part-time or casual.(a)
Participation rate	For any group, the labour force expressed as a percentage of the civilian population aged 15 years and over in the same group.(a)
Part-time workers	Employed persons who usually worked less than 35 hours a week (in all jobs) and either did so during the reference week, or were not at work in the reference week.(a)
Seasonally adjusted series	A time series of estimates with the estimated effects of normal seasonal variation removed.(a)
Taper rates	Income above a set amount reduces the pension or benefit at a defined rate known as the 'taper rate'. Taper rates can apply to successive parts of the range of income or to the entire range.
Total fertility rate	The number of children a woman would bear during her lifetime if she experiences the current age-specific fertility rates at each age of her reproductive life.
Transition to Work	Transition to Work has been developed for parents, carers and mature age people 50 years and over who are starting work for the first time or are returning to work after an absence of 2 years or more. The program offers practical help, such as training and funding to help the job seeker develop skills.
Trend series	A smoothed seasonally adjusted series of estimates.(a)
Unemployed	Persons aged 15 years 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.(a)
Unemployed looking for full-time work	Unemployed persons who: - actively looked for full-time work; or - were waiting to start a new full-time job.(a)

Unemployed looking for part-time work	Unemployed persons who: - actively looked for part-time work only; or - were waiting to start a new part-time job.(a)
Unemployment rate	For any group, the number of unemployed persons expressed as a percentage of the labour force in the same group.(a)
Unemployment to population ratio	For any group, the number of unemployed persons expressed as a percentage of the civilian population in the same group.(a)

- (a) Australian Bureau of Statistics, January 2005, *Labour Force, Australia*, (Cat. No. 6202.0).
- (b) Productivity Commission, *Overcoming Indigenous Disadvantage: key indicators 2003*, <www.pc.gov.au/gsp/reports/indigenous/keyindicators2003/keyindicators2003.pdf>
- (c) Australian Bureau of Statistics, *Disability, Ageing and Carers, Australia: Summary of Findings*, (Cat. No. 4430.0).
- (d) Hanratty, P, 1996-97, *Helping the Working Poor: An Earned Income Tax Rebate for Australia?*, Parliamentary Library.
- (e) Richardson, S, Robertson, F & Isley, D, 2001, *The Labour Force Experience of New Migrants*, National Institute of Labour Studies, report prepared for DIMIA, p. 83.
- (f) Australian Government, Department of Family and Community Services, Policy Research Paper No. 2, *Parents, the labour force and social security*, Section 8. Tax/transfer system.
- (g) Australian Government, Department of Family and Community Services, *Submission No. 99, Attachment B*, p. 53.
- (h) Australian Bureau of Statistics, *Mature Age Persons Statistical Profile: Education and Training*, (Cat No. 4905.0.55.001).
- (i) Australian Government, Department of Family and Community Services, 2001, Research FaCS Sheet, No. 12, *Means Testing of FaCs Income Support Payments*.
- (j) Australian Bureau of Statistics, *Demography, Australia*, (Cat. No. 3311.0.55.001).
- (k) Australian Government, Centrelink, Individuals, Transition to Work Program, <www.centrelink.gov.au/internet/internet.nsf/ea3b9a1335df87bccca2569890008040e/a12fbc4daea5d461ca256e7d000010c6!OpenDocument>.