

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Estimates 20-21 October 2010

Question: SBT 182

Topic: ABS Survey on unemployment

Hansard Page: E149 - 150

Senator BUSHBY asked:

Senator BUSHBY —Of the 5.68 million people who are not in the labour force, you have a little box that shows that four million are classed as not wanting to work. I want to know what characteristics those people would have had that would have led you to identify them as not wanting to work.

Mr Farrell —They would have indicated that they have not been working for one hour or more in the week prior to the survey and that they were not actively looking for work.

Senator BUSHBY —Because underneath that you have then got those who wanted to work.

Mr Farrell —Some people wanted to work but did not actively look for work.

Senator BUSHBY —That is right. Then there are those who are not actively looking for work underneath that as well. You used that as one of the criteria to determine the four million who did not want to work.

Mr Farrell —That is right. So of those people who were not working and who were not looking for work some people would have liked to have worked but did not actively look—

Senator BUSHBY —So there is another criteria that you use to determine that they did not want to work at all?

Mr Farrell —The supplementary survey looks more deeply into reasons and you are looking at there the results of that survey. There are a number of criteria, but I cannot tell you what they are off the top of my head.

Senator BUSHBY —If you could take that on notice, it would be appreciated.

Mr Farrell — I will take it on notice

Answer:

People who are not in the labour force are not employed, nor are they unemployed. For definitions of employed and unemployed see the glossary of *Labour Force, Australia* (cat. no. 6202.0). However, people not in the labour force may or may not want to work. In the ABS Household Survey, Persons Not in the Labour Force, people who are not in the labour force are asked a series of questions to determine whether they would like to work or whether they do not want to work:

- Even though you are not looking for work, would you like a full-time or part-time job?
- If you had suitable childcare arrangements, would you like a job?

People who respond with 'No' or 'Don't know' to either of these questions are classed as 'Did not want to work'. People not in the labour force who indicate that they are 'permanently not intending to work' are also classed as 'Did not want to work'.

Examples of persons not in the labour force may include retirees, or persons undertaking domestic duties who are not looking for work.