Labour force statistics: a quick guide

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Introduction
This guide provides a brief overview of the labour force, 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 unemployment and employment, 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 all those of working age (e.g. 15 years and over) who during a short reference period engaged in any activity to produce goods or services for pay or profit, as well as some persons who were temporarily absent from work. The unemployed are people of working age who were without work during this same reference period, but were actively seeking work and available to start 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

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, relates to people aged 15 years and over. Labour force data is sometimes presented with (or available only to) an upper age limit, which is broadly the retirement age (e.g. 15 to 64 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 50,000 people. Each month the ABS produces estimates of the labour force and releases trend, seasonally adjusted and original 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, full-time educational attendance, plus a range of other variables related to the employed/unemployed.

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 time.

1. Labour force participation rate—trend

![Graph showing labour force participation rate by sex from Mar-78 to Mar-18](Source: ABS, Labour force, Mar 2018, cat. no. 6202.0)
Graph 2 shows participation rates by selected age groups and provides insight into the changing workforce landscape. There has been a notable increase in the participation rate of people aged 55 to 64 years over the past twenty years. The participation rates for the oldest age group have also more than doubled over the past twenty years.

2. Labour force participation rate by selected age groups—annual average

![Graph 2: Labour force participation rate by selected age groups](source)

Source: ABS, Labour force, detailed – electronic delivery, Mar 2018, cat. no. 6291.0.55.001

Graph 3 provides annual average participation rates for selected age groups in 2017. The rates highlight the changing age structure of the workforce as people enter and exit the labour force. It also shows women’s overall lower participation in all age groups, except the youngest cohort.

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

![Graph 3: Participation rate by selected age groups, 2017](source)

Source: ABS, Labour force, detailed – electronic delivery, Mar 2018, cat. no. 6291.0.55.001

The Parliamentary Library’s Monthly Statistical Bulletin provides regular updates of the participation rate (based on ABS data), see ‘1.3 Labour force’.
Where do I find regional data?

*Labour force, detailed – electronic delivery*, cat. no. 6291.0.55.001 provides monthly labour force data for the smallest available geographic areas (excluding the Census), see: Table 16, Table 16b (annual average series) and Data Cube RM1. 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.

**Statistical Area Level 4 (SA4) or ABS ‘Labour market region’**

SA4s are designed for the dissemination of labour force estimates and to reflect key labour markets within each state and territory. They cover 87 spatial areas across Australia. For Library clients, a correspondence between Commonwealth Electoral Divisions and selected geographies (including SA4s) is available via the [Library portal](#), see ‘Your electorate’ > ‘Population’.

The [Department of Jobs and Small Business](#) publish selected ABS regional labour force data (SA4) on their [Labour Market Information Portal](#), including labour force status and the participation rate. The portal includes interactive maps and limited time series data.

Where do I find data for smaller geographic areas?

The five-yearly *Census of Population and Housing* provides data for small statistical areas, including Commonwealth Electoral Divisions (2016 boundaries). The most recent Census was held in August 2016. The *General Community Profile* series provides selected information, including: labour force status (by age and sex), participation rates and the labour force status of parents by the age of their dependent children. Caution should be used when interpreting the data, as it relates to a specific week in August 2016 and may not reflect the current labour market situation.

As a by-product of producing the quarterly unemployment estimates for *Small Area Labour Markets*, the Department of Jobs and Small Business also publish smoothed labour force estimates for Statistical Area Level 2 (SA2s, geographic areas smaller than SA4s) and Local Government Areas (LGAs). While these estimates cannot be used to produce a participation rate, they can give a broad indication of the size of the labour market and changes in this level.

Where do I find data for changes in the labour force (flows)?

The ABS captures information about the changing nature of people’s labour force status in the *Gross changes (flows)* series (see Data cube GM1). This series provides estimates of changes in status from the previous month to the current month. For example, moving from being unemployed to being employed. The data is available by age, sex and state/territory. Caution should be used when interpreting the estimates as the sample represents about 80% of the population value, the data is not adjusted for seasonality (i.e. original series) and some bias may occur in the estimates due to the monthly movements matching process.

Where can I find international comparisons?

[OECD Data](#) provides summary labour force indicators, including comparison participation rates, for OECD member countries.