

Labour Account – Module 3

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Presentation Outline

1. Purpose and Uses of Labour Accounts
2. Example of Australian uses of a Labour Accounts
3. How do all the data sources fit together?



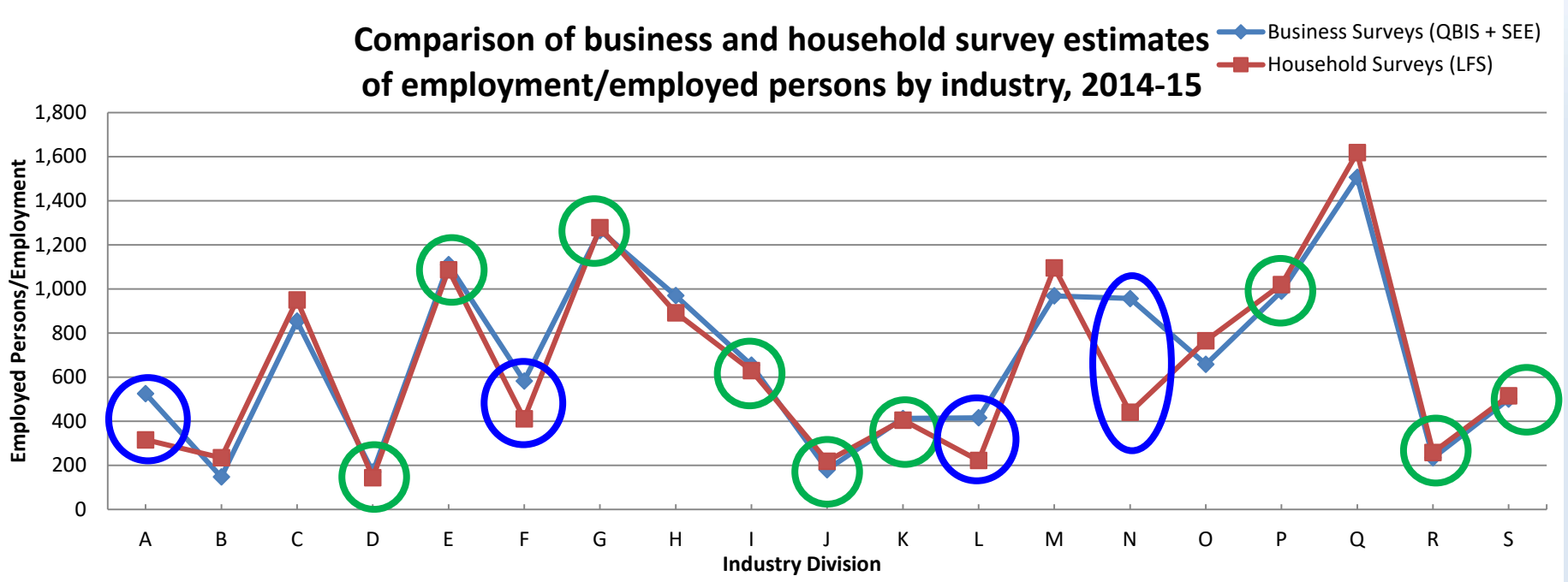
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The Context




Comparison of business and household survey estimates of employment/employed persons by industry, 2014-15



Why develop a Labour Account?

The Labour Account has been developed to provide a framework for integrating data from a number of sources including household survey, business survey and administrative data.

A decorative graphic at the top of the slide consisting of a long light blue arrow pointing right, followed by a series of smaller, overlapping arrows in orange, red, blue, green, and light green, also pointing right.

The result is internally consistent estimates of key labour market variables, which more effectively enable the description and analysis of the state and dynamics of the Australian labour market.

These core variables can help users make sense of seemingly inconsistent labour related data, which are often based on different reference periods, populations, concepts, definitions and methodologies.



- **How many people are employed in Australia?**

It depends on when you ask this, who you ask, and how you ask the question.

Based on the answers provided by "responsible adults" from the households where workers live, the basic approach used in the Labour Force Survey, there were 12.5 million people employed in Australia.

Based on the answers provided by "responsible representatives" of businesses and other enterprises where they work, the approach adopted in business surveys, there were 13.2 million filled jobs in Australia.




Why are the two figures different?

- Traditionally, the Labour Force Survey (LFS) has been the primary source of information on employment by industry over time.
- However, industry information is not what the Labour Force Survey is primarily designed to measure, which is the labour force status of the population (that is, whether people are employed, unemployed or not in labour force) and their key demographics.

- The ABS considers the Labour Account to be the best source of headline information on employment by industry.

- It has been specifically designed to produce the most comprehensive estimates for industries in Australia, drawing upon a broad range of data sources.
- It provides an estimate of the number of jobs, hours worked, and associated labour income that align very well with industry measures of output in the economy. In the future, it is expected to lead to improvements in the measurement of productivity.

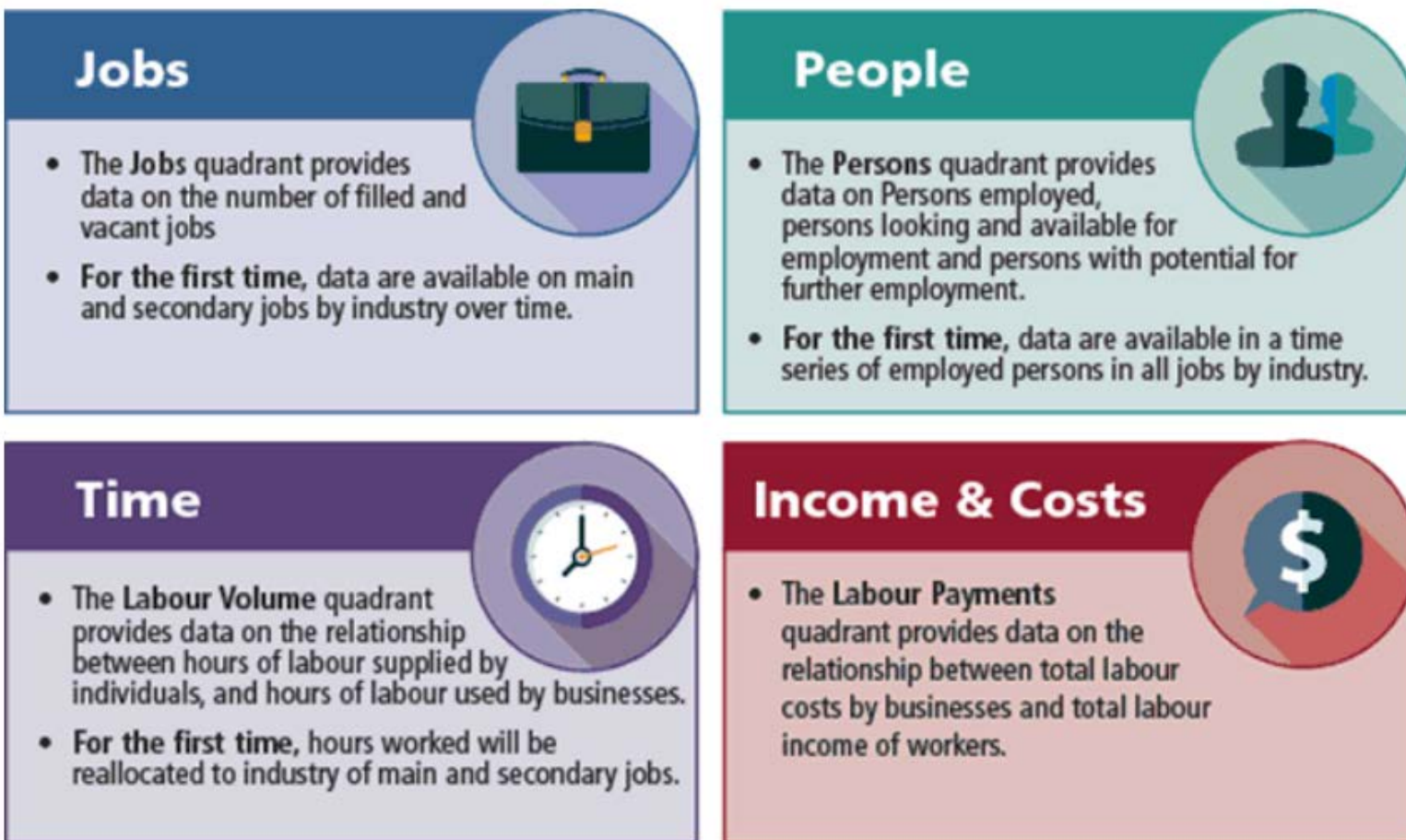


The comparative strength of the industry information in the Labour Account is that it is generally drawn from how businesses have been officially categorised, rather than how employed people (most of whom are employees) describe the business they work in.



- The Labour Account shows that there are a number of people in the labour market who, when responding to the Labour Force Survey, will describe the business activities that are most relevant to their job, rather than the actual industry of the business that pays their wages or salary.
- For example, an employee of a business engaged in engineering construction who works on a coal mine site may incorrectly describe their industry of employment as coal mining and not construction.

Figure 1: Australian Labour Account Quadrants



- However, the Labour Account cannot provide all of the information that survey data can
- There is still an important role for other detailed information, including [Labour Force Survey](#), which provide insights into the characteristics and distribution of people and their jobs in the labour market.



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Uses of a Labour Account




- Macro economic analysis
- Industry analysis
- Internal quality assurance
- Building external trust in data
- Improved employment statistics quality
- Main purpose:
 - Improving productivity estimation



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How do all the data sources fit together?



Figure 1. The Four Pillars of ABS Labour Statistics

Australian Labour Market

**Household
Survey**

**Business
Survey**

**Administrative
Data**

**Labour
Accounts**

Activity

- Participants to start developing country level business case for the policy questions that the labour account can address. Break into groups to discuss:
 - What are the benefits of having the labour account?
 - How are the main potential users of the account?
 - Who holds the data sources needed?
 - What level/type of skills and systems will be needed?

