



INQUIRIES

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UNEMPLOYMENT, AUGUST 1977
PRELIMINARY ESTIMATES

MAIN FEATURES

- In August 1977 an estimated 263,800 persons were looking for full-time work (4.3 per cent of the labour force).
- Of these 159,900 were males and 103,900 were females.
- A further 53,700 persons (12,300 males and 41,400 females) were seeking part-time work (0.9 per cent of the labour force).
- Between May and August 1977 there was no significant change in the total number unemployed (317,600 in August) including persons looking for part-time work, but in seasonally adjusted terms there was an increase of 19,800. (See paragraph 5).
- Unemployment rates were 3.3 per cent for males aged 20 years and over and 4.4 per cent for females aged 20 years and over. Corresponding rates for persons aged 15-19 years were 14.6 per cent and 19.1 per cent respectively.

EXPLANATORY NOTES

Introduction

This statement contains preliminary unemployment estimates for Australia derived from the quarterly population survey. More detailed estimates are published each quarter in *The Labour Force (Preliminary)* (Reference No. 6.32) and *The Labour Force* (Reference No. 6.20).

The population survey

2. The survey is based on a multi-stage area sample of private dwellings (about 30,000 houses, flats, etc.) and non-private dwellings (hotels, motels, etc.) and covers about two-thirds of one per cent of the population of Australia. The information is obtained in February, May, August and November from the occupants of selected dwellings by carefully chosen and specially trained interviewers. Interviews are carried out

during a period of four weeks, so that in each of the months to which the survey relates, there are four survey weeks, chosen so as to fall within the limits of the calendar month or with minimum encroachment into the adjacent months.

Definition

3. For purposes of the survey, unemployed persons are defined as all civilians aged 15 years and over who either:

- (a) during the survey week did not work and did not have a job, but could have taken one had it been available, and had been actively looking for full-time or part-time work in the four weeks up to and including the survey week (including persons who would have been prevented from taking a job in the survey week by their own temporary illness or injury, or by their having made arrangements to start after the survey week in a new job in which they would have preferred to start in the survey week) or
- (b) were waiting to be called back to a job from which they had been temporarily stood down without pay for four weeks or less (including the whole of the survey week).

4. Unemployed persons therefore comprise those looking for full-time work, those looking for part-time work and those temporarily laid off from either full-time or part-time jobs. This definition of unemployed persons conforms closely to that recommended by the Eighth International Conference of Labour Statisticians (1954).

Reliability of the estimates

5. Since the estimates are based on information obtained from occupants of a sample of dwellings, they may differ from the figures that would have been produced if the information had been obtained from occupants of all dwellings. There are about two chances in three that the differences would be less than 3,900 for total unemployed males, less than 3,600 for total unemployed females and less than 5,100 for total unemployed persons, and about nineteen chances in

twenty that they would be less than twice these figures. For example, there are about nineteen chances in twenty that the true total unemployed is within the range 307,400 to 327,800. Further details about the survey and the reliability of the estimates will be found in the quarterly bulletin *The Labour Force* (Reference No. 6.20).

Seasonal adjustment

6. Because of problems in seasonally adjusting the numbers of unemployed persons the procedures used were revised from August 1976. Because there is insufficient length of series available to enable a complete assessment of the reliability of the new method to be made, it would be claiming too much to suggest that these problems have now been wholly overcome, but the revised estimates are at least a considerable improvement over those published previously. A brief explanation of the problems and the adjustment method now used is given below.

7. The method used (the U.S. Bureau of the Census X-11Q) assumes that the amplitude of seasonal change is proportional to the level of the series. Until 1974 this assumption worked very satisfactorily, but following the rapid rise in the level of unemployment in 1974 the proportional relationship appears to have changed very substantially, and the X-11Q method was unable to adapt sufficiently.

8. By considering the series in two parts an estimate of the effect of the change in the proportional relationship has now been made. By means of prior adjustment factors derived from this estimate and applied to the data, the X-11Q program moving averages are now able to accommodate the 1974 change. The resulting seasonal factors reflect one proportional relationship up to 1974 and the other relationship since then.

9. The shape of the seasonal variation since 1974 may have changed as well as the relationship between amplitude and level. (For example, the rise in the original series in August 1976 could be due, at least in part, to a new seasonal pattern.) If it has, the change will have to be handled by the adaptive capacity of the program itself.

10. As from the May 1976 issue of this statement the unemployment estimates derived from the population survey have been based on a revised definition. See *The Labour Force, May 1976* (Reference No. 6.20), pages 3 and 4, paragraphs 9 to 14 for details. Estimates of unemployment on the revised basis have a different seasonal pattern from those on the old basis.

Because only nine quarterly figures on the revised basis were available at the time the current seasonal adjustment factors were calculated it has been necessary to make special estimates for the seasonally adjusted series.

Comparability with Commonwealth Employment Service figures

11. The sample estimates will differ from the number of persons registered with the Commonwealth Employment Service (CES) as not employed, awaiting placement in full-time employment, for a number of reasons, including the following:

- (a) The survey estimates include persons looking for *part-time* work as well as those looking for *full-time* work,
- (b) they include some unemployed persons (particularly females) who do not register with the CES,
- (c) they exclude persons who did any work at all during the survey week, even though they may subsequently have become unemployed and registered with the CES or have done so little work as not to lose eligibility for unemployment benefit,
- (d) they exclude any persons registered as unemployed who find jobs but do not notify the CES at once that they have done so,
- (e) they represent *averages over a period* (see paragraph 2), whereas the numbers registered with CES refer to a particular day at the end of the month, and
- (f) they are subject to sampling variability (see paragraph 5).

Related publications

12. Users may also wish to refer to the following publications which are available on request:

The Labour Force (Preliminary) (Reference No. 6.32)

The Labour Force (Reference No. 6.20).

All publications produced by the ABS are listed in *Publications of the Australian Bureau of Statistics* (Reference No. 1.8) which is available free of charge from any ABS office.

NOTE. Any discrepancies between totals and sums of components in the table are due to rounding.

D. V. YOUNGMAN
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UNEMPLOYED PERSONS (a) : AUSTRALIA

Month	Looking for		Aged 15-19 years		Aged 20 years and over ('000)	Total (b)		Total excluding persons aged 15-19 years looking for first job		Per cent of labour force (c)			
	Full-time work ('000)	Part-time work ('000)	Looking for first job ('000)	Total ('000)		Original ('000)	Seasonally adjusted (d) ('000)	Original ('000)	Seasonally adjusted (e) ('000)	Aged 15-19 years	Aged 20 years and over	Total	
												Original	Seasonally adjusted (e)
MALES													
1976 -													
May	123.3	9.2	9.4	41.7	90.7	132.4	141.6	123.0	128.3	10.8	2.5	3.3	3.6
August	138.0	8.1	12.5	42.7	103.4	146.2	162.4	133.7	143.7	11.8	2.9	3.7	4.1
November	133.4	10.9	15.3	42.5	101.8	144.2	145.6	129.0	132.0	11.7	2.8	3.6	3.7
1977 -													
February	161.5	12.2	23.2	60.8	112.8	173.6	147.8	150.5	132.4	15.2	3.1	4.3	3.7
May	157.3	12.9	15.4	55.5	114.6	170.1	183.7	154.7	162.0	14.0	3.2	4.3	4.6
August (f)	159.9	12.3	14.9	55.1	117.1	172.2	191.6	157.3	169.4	14.6	3.3	4.3	4.8
FEMALES													
1976 -													
May	79.1	36.0	14.8	45.7	69.4	115.1	121.2	100.4	103.4	13.6	3.9	5.4	5.7
August	84.9	33.1	13.8	45.9	72.1	118.0	133.8	104.2	116.9	14.4	4.1	5.6	6.3
November	80.3	30.1	15.8	44.7	65.6	110.4	111.1	94.5	95.5	13.9	3.6	5.2	5.3
1977 -													
February	113.7	47.5	30.0	65.6	95.6	161.1	136.1	131.2	113.8	18.7	5.2	7.3	6.3
May	101.3	42.7	20.9	58.1	85.9	144.0	152.4	123.2	127.3	16.8	4.6	6.5	6.9
August (f)	103.9	41.4	22.1	63.1	82.3	145.4	165.7	123.2	138.8	19.1	4.4	6.6	7.4
PERSONS													
1976 -													
May	202.4	45.2	24.2	87.4	160.1	247.6	262.0	223.4	231.0	12.1	3.0	4.1	4.3
August	222.9	41.2	26.3	88.6	175.5	264.1	294.3	237.9	260.3	13.0	3.3	4.4	4.8
November	213.7	40.9	31.1	87.2	167.4	254.6	260.4	223.5	230.5	12.7	3.1	4.2	4.3
1977 -													
February	275.1	59.6	53.1	126.4	208.4	334.8	281.9	281.6	244.3	16.8	3.8	5.4	4.6
May	258.6	55.5	36.3	113.6	200.6	314.2	335.2	277.9	288.8	15.3	3.7	5.1	5.4
August (f)	263.8	53.7	37.0	118.2	199.3	317.6	355.0	280.5	307.5	16.7	3.7	5.2	5.7

(a) Aged 15 years and over. For definition, see paragraph 3. (b) Includes persons looking for part-time work. (c) The number of unemployed in each group as a percentage of the labour force in the same group. (d) The method used in seasonally adjusting estimates for total unemployed persons is to adjust estimates for unemployed persons aged 15 to 19 years looking for their first job and estimates for the remainder of unemployed persons separately and to add the two figures to obtain total estimates for unemployed persons. Estimates for unemployed males and females are treated similarly. (e) See paragraphs 6 to 10. (f) Preliminary estimates, subject to revision.