

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2011–2012**

Outcome 4 - Employment

DEEWR Question No. EW0790_12

Senator Abetz asked on 19 October 2011, Hansard page 121

Question

Underemployment - Roy Morgan Research Group survey

Senator ABETZ: The Roy Morgan group also has a survey of underemployment that comes out on a regular basis. Without taking up too much time, is the department of the view that that is generally a robust, reliable measure? Ms Paul: I am happy to take that on notice.

Answer

The Roy Morgan Research group has a monthly survey of the labour force which includes statistics on underemployment. The survey is conducted through face-to-face interviews. In September to October 2011, the Roy Morgan Research group interviewed almost 5000 people aged 14 years and over.

In comparison, the Australian Bureau of Statistics (ABS) data on underemployment are collected in the middle month (February, May, August and November) of each quarter from the ABS Labour Force Survey. The survey is conducted by specially trained ABS interviewers using computer-assisted interviewing. Households in private dwellings selected for the survey are interviewed each month for eight months, which means that one-eighth of the sample is replaced each month. The first interview is conducted face-to-face. Subsequent interviews are conducted by telephone (if acceptable to the respondent). In the survey, the ABS interviews approximately 0.33 per cent of the civilian population of Australia aged 15 years and over, or around 61,000 people.

The sample size of the ABS survey is approximately 12 times as large as the one conducted by the Roy Morgan Research group, and so the ABS statistics should be more statistically reliable.

The ABS underemployment measures are comprehensive. They comprise:

- persons employed part-time who want to work more hours and are available to start work with more hours, either in the reference week or in the four weeks subsequent to the survey; or
- persons employed full-time who worked part-time hours in the reference week for economic reasons (such as being stood down or insufficient work being available). It is assumed that these people wanted to work full-time in the reference week and would have been available to do so.

In comparison, Roy Morgan Research reports on its website (www.roymorgan.com) that “The ‘underemployed’ are those people who are in part-time work or consultants who are looking for more work.” Therefore, Roy Morgan Research seems to take account of the first ABS category but not the second ABS category of underemployment.

The ABS underemployment measures adhere to internationally accepted standards, thus are comparable with other countries and international organisations that apply the standards.

The view of the Department of Education, Employment and Workplace Relations is that the underemployment statistics from the Roy Morgan Research group are reasonably robust and reliable, but the ABS underemployment measures are better.

The latest comparable estimates from both organisations are very similar. The Roy Morgan Research group reports that in August 2011 and in original terms:

- The underemployment rate was 6.7 per cent, compared with the ABS 6.8 per cent.
- There were 791 000 underemployed people, while the ABS recorded 810 900 underemployed people.

This is partly coincidental. Compared with the Roy Morgan Research group’s underemployment measures, the ABS statistics have been less volatile and more consistent with overall labour force developments. Over the period from November 2008 to August 2011 when both organisations have reported underemployment, the ABS underemployment rates have averaged 7.3 per cent, while the Roy Morgan Research group estimates have averaged 6.9 per cent.