Northern Territory Government

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ABS Acknowledges Flaw in Jobs Figures

Syd Stirling MLA
Treasurer

The Australian Bureau of Statistics has acknowledged that its Labour Force data for the Northern Territory is flawed, Treasurer Syd Stirling said today.

Mr Stirling said in an unusual admission, the ABS has acknowledged public criticism about the accuracy of its Northern Territory jobs figures.

“In a detailed two page explanation in its Labour Force publication for September, the ABS has explained that part of its methodology, termed the “rotation effect”, is having a negative impact on employment figures in the Territory, pointing out that the small sample size it uses for the NT exacerbates this effect,” Mr Stirling said.

“The ABS points out that between April and May, the sample they used for the Territory was rotated to include ‘a group of households with a much higher number of unemployed persons than is usually found in Northern Territory households’.

“A similar problem occurred between August and September, when another group of households with average levels of unemployment was replaced in the count by a group of households with high levels of unemployment.

“According to the ABS, 75% of the unemployment change from August to September can be put down to this most recent “rotation effect.”

“ABS has stated in today’s report that they will be working on putting in place a better methodology by mid 2005, with the aim of getting ‘more robust estimates’ for the Northern Territory. We will work with them on this.

“The Territory Government believes it is important to have an accurate assessment of our workforce.

“Most Territory businesses will tell you that getting enough workers to fill jobs is the big problem they have at the moment – not high levels of unemployment.

“Following a bumper tourist season, a 33% annual increase in ANZ job advertisements to September and a 10.3% increase in investment in the Territory, current ABS Labour Force figures are completely useless indicators of our true workforce.

“And the ABS has acknowledged that its calculation methods are flawed.”

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