

Appendix A Glossary of terms

Capital deepening: an increase in the ratio of capital to labour either through an increase in the capital stock or through a decrease in the number of workers.

Child care: services that provide education and care services to children aged zero to school age including centre-based day care, family day care and outside school hours care, but excluding preschool and school.

Collaborative robotics: a form of robotic automation built to work safely alongside human workers in a shared, collaborative workspace. In most applications, a collaborative robot is responsible for repetitive, menial tasks while a human worker completes more complex and thought-intensive tasks.

Consumer Price Index (CPI) inflation: the most commonly used measure of household inflation. It measures the change in the price of a representative 'basket' of goods and services.

Employability skills: the non-technical skills needed to get a job, including communication, teamwork, problem solving, initiative, planning and organising, decision-making and self-management.

Employed: when a person works in paid employment for one hour or more per week.

Foundation skills: competencies that underpin workforce participation, productivity and social inclusion, including English language, literacy, numeracy, digital and employability skills.

Gross National Income (GNI): measures how much Australia earns, rather than what output is produced in the economy. It is used as an indicator of Australia's standard of living. GNI measures total income received in Australia from its residents and businesses in Australia and abroad. It can be measured in real or in nominal terms similar to GDP.

Job carving: an employment strategy used to assist with overcoming labour market challenges of people who face barriers. Job carving involves analysis and rearranging of tasks within an organisation to customise duties or create tailor-made employment opportunities to make the most of individual skills and abilities.

Labour force: the total number of employed people and unemployed people, aged 15 years and over.

Labour force participation rate: the labour force expressed as a percentage of the civilian population aged 15 years and over.

Labour market scarring: a negative effect of unemployment that reduces a worker's chance of re-entering employment, or has long-term impacts on income even once re-employed.

Labour productivity: a measure of output per hour worked. Growth in labour productivity can be decomposed into capital deepening and multifactor productivity (MFP). Capital deepening measures increases in capital per hour worked. MFP captures how efficiently labour and capital are used together to produce output and is considered the main driver of economic growth in the long term.

Labour shortages: where there are more vacancies in the labour market than available workers. Labour shortages can exist across the economy or they can exist for particular occupations, skills or in particular areas. For most markets, shortages resolve through changes in price. For labour, this is complicated by factors such as labour mobility, worker preferences, life circumstances, and policy settings.



Labour underutilisation: the extent to which people's desire for work is not being met, including people who are not working but want to work, and those who are working but want to work more hours. Labour underutilisation can be due to cyclical or structural reasons.

Long-term unemployment (LTU): people who have been unemployed for 12 months or more. LTU may be a result of mismatch in the labour market, skills deficiency or other factors that inhibit a person from gaining employment.

Matching efficiency: refers to the effectiveness and speed with which unemployed workers find jobs and vacancies are filled.

Microcredentials: are a certification of assessed learning or competency, with a minimum volume of learning of one hour and less than an Australian Qualification Framework (AQF) award qualification that is additional, alternate, complementary to or a component part of an AQF award qualification.

Multi-factor productivity: a ratio of output to a combined input of multiple factors, including labour and capital.

Mutual obligations: tasks and activities people agree to do in return for certain income support payments.

Non-Accelerating Inflation Rate of Unemployment: the level of unemployment that is consistent with stable wage or price inflation.

Not in the labour force: people of working age, who do not meet the ABS criteria for being employed or unemployed. People may be temporarily out of the labour force for a specific reason (for example, child raising) or may have permanently left the labour force (for example, retirees).

Preschool: a structured, play-based learning program delivered by a qualified teacher aimed at children in the year or two before they commence full-time schooling.

Productivity: the efficiency with which inputs are transformed into outputs using capital, labour, and other resources. The most common measure of productivity is labour productivity.

Safeguard mechanism: sets a baseline limit on how much CO₂-equivalent can be emitted by a facility in a year.

Underemployed workers: employed people aged 15 years and over who want, and are available for, more hours of work than they currently have.

Unemployed: when a person is not employed, but is looking for work and is available to work in the reference week.

Unemployment rate: the number of underemployed workers expressed as a percentage of the labour force.

Wage Price Index (WPI) inflation: A commonly used measure of wage growth which measures changes in the price of labour in the Australian labour market. In a similar manner to CPI inflation, WPI inflation follows wage growth for a fixed 'basket' of constant-quality jobs.