Unemployment statistics: a quick guide

Penny Vandenbroek
Statistics and Mapping Section

Introduction

This guide provides a brief overview of unemployment, an introduction to the key concepts and terminology, and lists relevant data sources. This is one in a series of statistical quick guides, designed to provide a basic understanding of Australian labour market data. Other guides include labour force, employment and youth unemployment, which are available from the Parliamentary Library website.

In the labour force framework, unemployed people form part of the currently active population, who along with the employed constitute the labour force (see diagram below).

Labour force framework

Who are unemployed people?
The International Labour Organization (ILO) describes unemployed people as those who, during a specific recent period, were: not working; available to work; and undertaking activities to seek work. The concept of ‘without work’ is used to distinguish unemployed people from the employed. A person must not have undertaken any work at all (not even for one hour) during the reference period.

How is unemployment measured?
The Australian Bureau of Statistics (ABS) conducts a monthly Labour Force Survey. This household survey is designed to produce key estimates of unemployment (and employment) from a sample of approximately 50,000 people.

Unemployed persons are defined as all persons aged 15 years and over who were not employed during the reference week and:
- had actively looked for work and were available to work (in the reference week), or
- were waiting to start a new job.

Note that the Labour Force Survey excludes some groups of people, including those living in institutions, members of Australian permanent defence forces, certain diplomatic personnel, and overseas residents. More information is available from the ABS.

Active steps to find work
The concept of ‘actively looking for work’ requires a person to have undertaken at least one active step in the search for work at any time in the four weeks up to the end of the reference week. Active steps are considered those which put a person in contact with a prospective employer, either directly or through an intermediary. The types of steps include:
- registering with an employment agency
- applying for jobs with employers
- undertaking an interview with an employer
- placing or answering job advertisements, and
- seeking assistance from friends or relatives to find a job.

Steps taken towards the establishment of an enterprise for self-employment are also considered to be active. A general declaration of being ‘in search of work’ is not sufficient for someone to be classified as unemployed. Prior to July 2014, the types of activities that the ABS considered to be ‘active’ varied slightly.

Waiting to start a new job
In recognition that not all job seekers are able to immediately start their new job once offered, anyone expecting to start a new job within four weeks from the end of the reference week is classified as unemployed if they were available to start work during the reference week.
What are the key measures?

The number of unemployed people (head count)

Each month the ABS estimates the number of unemployed people, releasing trend, seasonally adjusted and original data. Unemployment data is available by age, sex, social marital status, country of birth (limited), state/territory, labour market region, full-time educational attendance (youth only), and duration of job search.

Changes in the number of unemployed people (increases or decreases in the number of 'jobseekers') are sometimes mistakenly referred to as gains or losses of jobs. While the loss of a job certainly may lead to a person being classified as unemployed, it is whether or not they are employed that is being measured. Graph 1 provides changes in the number of unemployed people from the start of the data series until the most recent period.

1. Unemployed persons—trend

Source: ABS, Labour force, Mar 2018, cat. no. 6202.0

Graph 2 provides the share of total unemployed people who were looking for full-time work. The ABS also measures the number of unemployed people seeking part-time work.

2. Share of total unemployed who were looking for full-time work—trend

Source: ABS, Labour force, Mar 2018, cat. no. 6202.0
**Unemployment rate**

The *rate* is unemployed people expressed as a proportion of the labour force (in the same age group). This key measure is used to assess the availability of jobs in the labour market. A high rate reflects that there are more people actively looking for work than there are jobs available. Graph 3 provides the unemployment rate from the start of the data series until the most recent period.

3. Unemployment rate—trend

![Graph showing unemployment rate over time](image)

Source: ABS, *Labour force, Mar 2018*, cat. no. 6202.0

The Parliamentary Library provides regular updates on unemployment (based on ABS data) in the *Monthly Statistical Bulletin*, see: 1.2 Unemployment.

**Long-term unemployed**

This section provides a brief overview of long-term unemployment, with more detailed information available in a separate Parliamentary Library quick guide.

The long-term unemployed are unemployed people who have not worked for 52 weeks or longer.

**Duration of job search**

The ABS measures the duration of job search as the period of time that has elapsed since an unemployed person began looking for work (and was available to work). The period is measured up to the end of the survey reference week. Any brief period of work (greater than one hour) during the job seeking period will result in a break in the period of looking. Prior to July 2014, the ABS measured the duration of unemployment based on different parameters, see *Information paper: Forthcoming changes to labour force statistics, Jun 2014* (cat. no. 6292.0).

Graph 4 (on the next page) provides changes in the number of long-term unemployed people from the start of the data series until the most recent period. Breaks in the series, due to the introduction of new survey questionnaires have been highlighted at April 2001 and July 2014. For more information see paragraph 18 of the ‘Explanatory notes’ tab, *Labour force* (cat. no. 6202.0).
Long-term unemployment ratio

The long-term unemployment ratio expresses the number of people unemployed for 52 weeks or more as a proportion of all unemployed people. Time series data is available from the Parliamentary Library’s Monthly Statistical Bulletin, see ‘1.4 Long-term unemployment’.

Young unemployed

Two separate quick guides on youth unemployment are available from the Parliamentary Library website. The first contains information on various measures that may be used to assess youth unemployment, such as the youth unemployment rate and ratio. The second provides information on regional statistics, see: Youth unemployment statistics for small geographic areas. Regular updates of youth unemployment (based on ABS data) are available from the Parliamentary Library’s Monthly Statistical Bulletin, see: 1.5 Youth unemployment.

What are the key sources of ABS unemployment data?

The monthly Labour Force Survey (cat. no. 6202.0) and Labour force, detailed–electronic delivery (cat. no. 6291.0.55.001) are the key sources of unemployment data. More specialised data is available from Labour force, detailed quarterly (cat. no. 6291.0.55.003), including volume measures of underutilisation, last job information (e.g. retrenchment), and a range of personal characteristics.

Is electorate level data available?

For clients of the Library, the Statistics and Mapping Section publishes a quarterly series of smoothed unemployment estimates for electorates (2016 boundaries). These are updated following the release of the Department of Jobs and Small Business estimates of unemployment for small area labour markets. Caution should be used when interpreting the data, particularly period to period movements. Note that estimates of employment are not available from this source. For more information see the ‘Labour’ page via the Library portal.
Where do I find regional data?

Labour force, detailed – electronic delivery, cat. no. 6291.0.55.001 provides monthly unemployment data for the smallest available geographic areas (excluding the Census), see: Table 16, Table 16b (annual average series), Table 16c and Data Cubes RM1 and RM3. Most of the data is from the original (unadjusted) series and, due to the small sample sizes, the sampling errors with some estimates may be quite high. The use of an annual average is recommended, as is caution when interpreting the data.

Statistical Area Level 4 (SA4) or ABS ‘Labour market region’

SA4s are designed for the dissemination of labour force estimates and to reflect key labour markets within each state and territory. They cover 87 spatial areas across Australia. For Library clients, a correspondence between Commonwealth Electoral Divisions and selected geographies (including SA4s) is available via the Library portal, see ‘Your electorate’ > ‘Population’.

The Department of Jobs and Small Business publish selected ABS regional labour force data (SA4) on their Labour Market Information Portal.

Where do I find data for smaller geographic areas?

The five-yearly Census of Population and Housing provides data for small statistical areas, including Commonwealth Electoral Divisions (2016 boundaries). The most recent Census was held in August 2016. The General Community Profile series provides selected information, including: labour force status (by age and sex), employment rates, full-time and part-time workers, industry of employment and occupation. Caution should be used when interpreting the data, as it relates to a specific week in August 2016 and may not reflect the current labour market situation.

The Department of Jobs and Small Business publish unemployment estimates based on Statistical Area Level 2 (SA2s, geographic areas smaller than SA4s) and Local Government Areas (LGAs) in the quarterly Small Area Labour Markets publication. Through the Labour Market Information Portal, the Department also provides Employment Regions data, including jobactive caseload figures and Centrelink populations.

Where do I find data on jobseekers receiving allowances?

The Parliamentary Library’s Monthly Statistical Bulletin provides regular updates of jobseeker numbers, see: 1.8 Jobseekers receiving allowances.

The Department of Social Services’ publication, Labour market and related payments monthly profile, provides more extensive data on Newstart (and some other benefit) recipients based on administrative data. Note that the figures vary to those released by the ABS due to differing methodologies in calculating ‘unemployed’ persons. See the ‘Appendix’ for more information.

Where can I find the number of monthly job advertisements?

The Parliamentary Library’s Monthly Statistical Bulletin provides the monthly trend series of ANZ job ads (internet and newspapers), see: 1.6 ANZ job advertisements.
Where can I find international comparisons?
The Parliamentary Library’s *Monthly Statistical Bulletin* provides international comparisons of unemployment, see: 8.3 Unemployment rates.

OECD Data provides summary labour force indicators, including comparison unemployment rates, for OECD member countries.

What other sources provide data on the unemployed?
The ABS releases publications from a range of supplementary labour, household and social surveys. A summary of the most relevant sources follows.

*Participation, job search and mobility*, cat. no. 6226.0
This survey provides information on people looking for work, or potentially able to look for work. It includes details of difficulties finding work, types of activities taken to find work and reasons people may have not been actively looking for work (e.g. child care). It also publishes measures of extended labour force underutilisation and information on the recently employed.

*Barriers and incentives to labour force participation*, cat. no. 6239.0
This survey provides information on unemployed people, the underemployed and those who were not in the labour force. It covers similar themes to the aforementioned survey, but with more detail in some areas. It includes reasons people were not available to start work (e.g. long-term sickness), as well as incentives that could assist in encouraging people to participate in the labour force (e.g. ability to work part-time hours or financial assistance with childcare costs).

*Education and work*, cat. no. 6227.0
This survey provides information on people’s involvement in education and work, their current studies, transitions into work and demographic characteristics (for people aged 15 to 74 years). It includes labour force status by educational attainment, such as highest non-school qualification. It also provides a measure of people’s level of engagement in employment or study.

*Household income and wealth*, cat. no. 6523.0
This survey provides information at a household, as well as a person level. Data is available on the types of income a household receives (e.g. Government benefits, employee salary), as well as snapshots of the labour force status of the household (e.g. one employed, no employed, at least one unemployed) by various types of indicators (e.g. wealth quintiles, gross household income, housing tenure).

© Commonwealth of Australia

Creative Commons

With the exception of the Commonwealth Coat of Arms, and to the extent that copyright subsists in a third party, this publication, its logo and front page design are licensed under a Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Australia licence.