Measuring overlap between the unemployed and people 'on the dole'

The release of 2017–18 data from the Australian Bureau of Statistics (ABS) Survey of Income and Housing has enabled the update of a 2014 Venn diagram, depicting people who received Newstart Allowance or Youth Allowance by their unemployment status. The diagram highlights the large number of people on these payments who are not defined by the ABS as unemployed. This new data builds on the material provided in ‘The unemployed and recipients of government unemployment benefits – differences explained’ (Australian Labour Market Statistics, July 2014). This information also helps to demonstrate the care required when interpreting ‘job seeker’ data, as this term can relate to a number of different groups covered by a range of data sources.

What can the diagram tell us?

In 2017–18, there were 676,700 unemployed people, consisting of:

- 165,400 who received Newstart Allowance (see ‘NSA’) and
- 24,100 who received Youth Allowance and were not full-time students (see ‘YAO’).

Together, these payment recipients represented over a quarter (28%, or 189,500 people) of all unemployed. This means that 487,200 unemployed people did not receive income from either of these payments.

Fig 1. Venn diagram showing recipients of job seeker payments and the unemployed (aged 15 to 64 years), 2017–18
To further analyse people receiving these payments, the additional labour force status breakdowns show:

- Newstart Allowance—28% were employed and 43% were not in the labour force.
- Youth Allowance (excluding full-time students)—34% were employed and 19% were not in the labour force.

As the [ABS article](#) noted, there are a number of reasons unemployed people may not be receiving a job seeker payment. For example, they may not meet the income or assets tests, they may be out of work only temporarily, or they may receive a different type of income support payment (e.g. Parenting Payment or Disability Support Pension).

**Who receives Newstart Allowance or Youth Allowance (Other)?**

The Department of Social Services (DSS) publishes monthly data on people receiving labour market related payments, including Newstart Allowance or Youth Allowance (Other). These payments are made to eligible people subject to a range of conditions, including personal income and asset tests for themselves, and any partners; and for some young people, a parental income test. The payments cover a variety of people in differing scenarios, including those who are studying, doing volunteer work, have caring responsibilities, or have some type of employment restriction (e.g. long-term health condition or disability).

**Who are 'job seekers'?**

Job seekers are a sub-set of people receiving Newstart Allowance or Youth Allowance (Other). Generally, unless an exemption has been granted, people receiving one of these payments have mutual obligation requirements, sometimes referred to as an ‘activity test’. Those assessed as able to work are expected to be undertaking job search activities, willing to take up work offered,
or participating in activities to improve their employment prospects. Note that the job seeker group also includes people who are doing some paid work, but are not receiving sufficient income to prevent them receiving a payment.

**What is the labour force framework and who are the unemployed?**

The ABS identifies people as in the labour force (i.e. employed or unemployed) or not in the labour force (neither employed nor unemployed) through a series of questions, asked about a specific timeframe. For a person to be classified as ‘unemployed’, they need to be:

- not employed
- actively looking for work and
- available to start work within a defined period.

Unlike job seeker payment recipients, who are able to do some work and receive a payment, it is not possible for a person to be simultaneously employed and unemployed in the labour force framework. The ABS considers a person to be employed if they are undertaking paid work of at least one hour per week, or they are working in a family business or on a farm. The employed also includes some people who are temporarily away from work. The ABS publishes headline figures of employment and unemployment in the monthly *Labour Force Survey*, including the numbers of people and the key rates.

**How were these figures calculated?**

The figures were created using the methodology outlined in the aforementioned ABS article and data from the *2017–18 Survey of Income and Housing*. This process involved identifying people (aged 15 to 64 years) who received weekly income of more than $0 from Newstart Allowance or Youth Allowance. Labour force status was then applied to these groups. It was not possible to separately identify people who were on a zero rate of payment from those who were not eligible for a payment. An additional step was taken to exclude full-time students from the Youth Allowance figures, to create a proxy for ‘Youth Allowance Other’. This ‘Other’ group is generally recipients who were below the age of 22 years, who would have been on Newstart if the age eligibility criteria did not apply. Note that the ABS randomly adjusts figures in customised tables to avoid the release of confidential data. This process can also lead to discrepancies in the sum of components to the total.

Parliamentary clients can request assistance to interpret these statistics or to find other relevant data by contacting the Parliamentary Library.

**Tags:** statistics, Venn diagram, unemployed, job seekers, Newstart, ABS