



RESEARCH NOTE

Number 52, 25 June 1996
ISSN 1323-5664

Why are ABS and DSS unemployment figures different?

The Australian Bureau of Statistics (ABS) releases monthly figures on the number of unemployed people in Australia, which are derived from their Labour Force Survey. The Department of Social Security (DSS) releases monthly figures for the number of people receiving unemployment payments. Usually these figures are somewhat different. This may at first glance seem strange, because both sets of numbers appear to be counting unemployed people. Closer examination reveals good reasons why these numbers do not coincide.

Measuring different things

The ABS figures come from a sample interview survey of 0.5% of the total Australian population, conducted during the middle two weeks of each month. The questions asked relate to the week before the interview. From these figures national estimates of the number of unemployed are calculated. The DSS figures on the

other hand are derived monthly from administrative data on the actual numbers of people signed up to receive payments for the unemployed (Job Search Allowance, Newstart Allowance or Youth Training Allowance). The figures derived from these differing sources are clearly measuring different things.

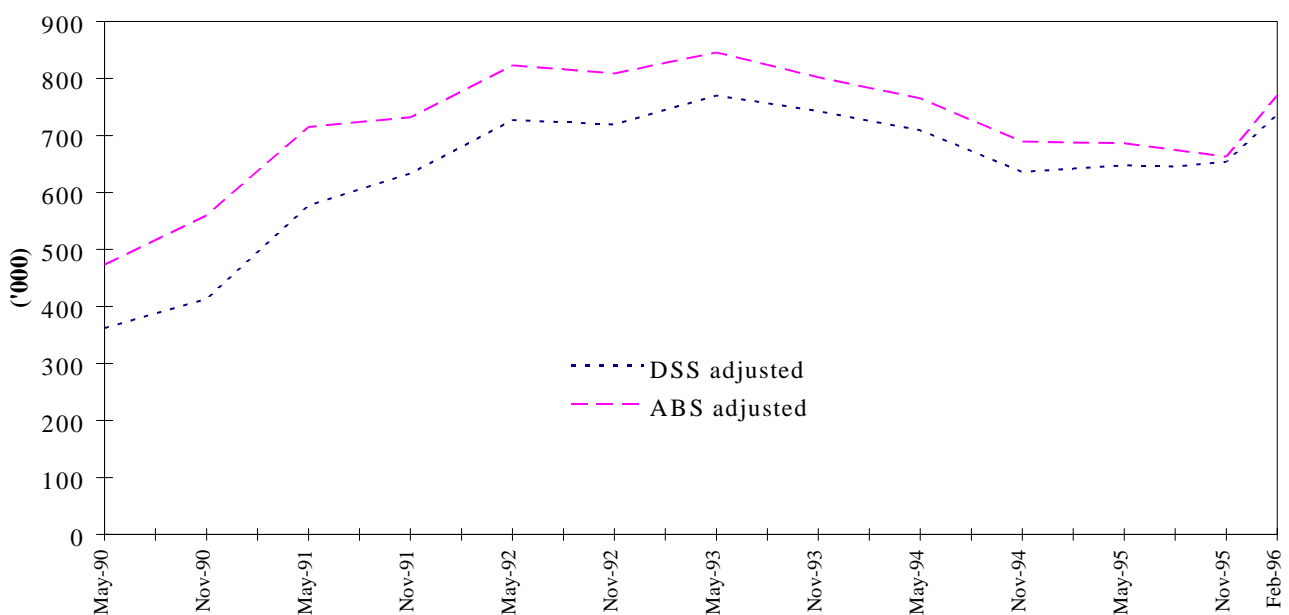
The main reasons why this is so are these:

- The ABS, following international standards and conventions for measuring unemployment, classifies a person as unemployed if they were aged 15 years and over, were not employed for at least one hour during the week before the interview, had actively looked for either full or part time work and were available for work. People with very short periods of employment are excluded but those with working spouses or investment incomes but who

did not actually work themselves are not excluded, if they fulfilled these conditions.

- The DSS count people who satisfy an activity test (by, among other things, actively seeking paid work and being willing to undertake paid work) and pass income and asset tests. The DSS figures therefore include many people who are working part-time or doing casual work, even if this excludes them from payment temporarily. They also exclude people whose family incomes are above the income test thresholds, but who may be unemployed.
- The DSS also pay people who are temporarily ill for up to 13 weeks or undergoing training courses, but not be counted by the ABS because they were unable to look for work, or were unavailable for work.

Adjusted(a) Numbers of Unemployed Persons: DSS and ABS



(a) See text for explanation.

- The ABS includes people seeking work who are serving waiting periods before being granted DSS payments, serving deferment periods for breaches of the activity test or receiving pensions such as Sole Parent Pension.

Reconciling the figures

From time to time claims are made in the media that there are more people receiving unemployment payments than are classed as unemployed by the ABS. Fraud or poor administration of the payments system is often cited as the reason (see, for example, 'Cheats blamed as more get dole than are jobless', *Sydney Morning Herald*, 12 April 1996).

However, the DSS and ABS figures for the last six years lend little support to these claims. The 'All clients' DSS figures and the

'Total' ABS figures in the table below show the apparently conflicting DSS and ABS figures over this period. When these figures are adjusted to remove the effect of the differing definitions of unemployment and the DSS income test, that conflict disappears. This is done by excluding those not receiving a payment and those with earned income from the DSS figures, and those with husbands working (as men predominantly work full-time, those who do not would be very closely compensated for by the far fewer full-time working wives of unemployed men) from the ABS figures.

Comparing the resulting figures, i.e. 'Without earned income' DSS figures and 'Other than husband working' ABS figures, suggests that the DSS figures are in fact generally lower than the ABS figures. This removes the basis for any claims that too many people

are receiving unemployment payments, as the diagram on the previous page shows.

Dale Daniels and Geoff Winter Social Policy Group Parliamentary Research Service

Phone: 06 277 2413 or 2437
Fax: 06 277 2407

Views expressed in this Research Note are those of the author and do not necessarily reflect those of the Parliamentary Research Service and are not to be attributed to the Department of the Parliamentary Library. Research Notes provide concise analytical briefings on issues of interest to Senators and Members. As such they may not canvass all of the key issues.

© Commonwealth of Australia

Unemployment Estimates Using DSS and ABS Data: 1990 to 1996 ('000)

Period	DSS unemployment payment(a) clients				ABS unemployed		
	All clients	Total	Received payment		Total	Husband employed	Other than husband employed
			With earned income	Without earned income			
May 1990	n.a.	406.1	43.9	362.2	548.6	75.1	473.5
Nov. 1990	n.a.	468.0	54.8	413.2	625.8	65.6	560.2
May 1991	n.a.	650.9	73.5	577.4	805.4	90.2	715.2
Nov. 1991	730.1	722.3	88.9	633.4	810.9	78.9	732.0
May 1992	838.4	831.0	104.0	727.0	912.5	89.4	823.1
Nov. 1992	849.8	828.9	109.7	719.2	886.1	77.1	809.0
May 1993	913.1	889.6	119.2	770.4	923.5	77.6	845.9
Nov. 1993	900.5	874.6	131.7	742.9	893.7	91.6	802.1
May 1994	892.7	848.6	139.2	709.4	849.9	84.5	765.4
Nov. 1994	810.0	774.1	137.9	636.2	764.1	74.7	689.4
May 1995	824.5	794.8	146.9	647.9	753.6	67.4	686.2
Nov. 1995	805.0	778.3	124.3	654.0	736.8	73.7	663.1
Feb. 1996	879.4	858.5	121.1	737.4	856.6	86.1	770.5
May 1996	838.2	n.y.a.	n.y.a.	n.y.a.	758.2	79.5	678.7

(a) Includes unemployment benefit and job search allowance up to June 1991; Job Search Allowance and Newstart Allowance up to December 1994; and Job Search Allowance, Newstart Allowance and Youth Training Allowance from January 1995.
n.a. – not available. n.y.a. – not yet available.

Source: Department of Social Security,

The Labour Force, Australia, various, ABS (Catalogue No. 6203.0).