



## JobSeeker recipients by NSW electorate – background and methodology

### NSW electorates and unemployment data

Unemployment benefits data is available from the Commonwealth Department of Social Services (DSS) for [Statistical Areas Level 2](#) (SA2s). The NSW Parliamentary Research Service has produced unemployment benefit estimates for all 93 State Electoral Districts (SEDs) using an SA2 to SED population-weighted correspondence. This is the only current unemployment-related data that is available for NSW SEDs.

The Australian Bureau of Statistics (ABS) is the primary source of [Australian labour force data](#), including unemployment data. However, except in the case of 5-yearly Census data, the ABS does not release labour force data for NSW electorates. It also does not release this data using geographies that would enable conversion of the data into estimates for NSW electorates.

### Unemployment benefits

[JobSeeker Payment](#) and [Youth Allowance \(Other\)](#) are the main unemployment benefits for people aged 16-64 who are able to work but who do not have the means to support themselves.

#### JobSeeker Payment

On [20 March 2020](#), the Commonwealth Government renamed Newstart Allowance as the JobSeeker Payment. The Government also ceased provision of the Sickness Allowance and Bereavement Allowance, with recipients progressively moved onto JobSeeker Payment.

The [JobSeeker Payment](#) is available to people aged 22 to 64 (64 being the current Age Pension age) who are looking for work, or who are sick or injured and temporarily unable to do their normal work or study. [A person](#) must pass income, asset and residence tests, and meet specific job search and activity requirements.

#### Youth Allowance (Other)

[Youth Allowance \(Other\)](#) is paid to people aged 16 to 21 who are looking for full time work, studying part-time and looking for work, or temporarily unable to work. It has [similar](#) eligibility, job search and activity requirements to the JobSeeker Payment.

## COVID-19 Payments

DSS has made [COVID-19 Disaster Payments](#) and [Pandemic Leave Disaster Payments](#) available to workers adversely affected by a State public health order, where the order may involve a lockdown, hotspot or movement restrictions. The NSW Government has made the [JobSaver program](#) available to NSW businesses, sole traders and not-for-profits impacted by recent COVID-19 restrictions, with fortnightly payments to maintain employee headcount from 13 July 2021. Payments are due to end on 30 November 2021.

## Unemployment benefits and labour force unemployment measures

### The relationship between unemployment benefits and labour force unemployment data

The overlap between people defined as unemployed by the ABS and those receiving unemployment benefits is [far smaller than might be expected](#). Due to eligibility, job search and activity requirements, JobSeeker Payment and Youth Allowance (Other) recipients could be counted using ABS standard labour force classifications as either unemployed, underemployed or not in the labour force (Table 1). The ABS uses [internationally consistent standards](#), which count a person as employed if they work at least one paid hour in the survey week. People are counted as unemployed if they were not employed in the survey week, and had looked for work at any time in the four weeks up to the end of the survey week and were available to work.

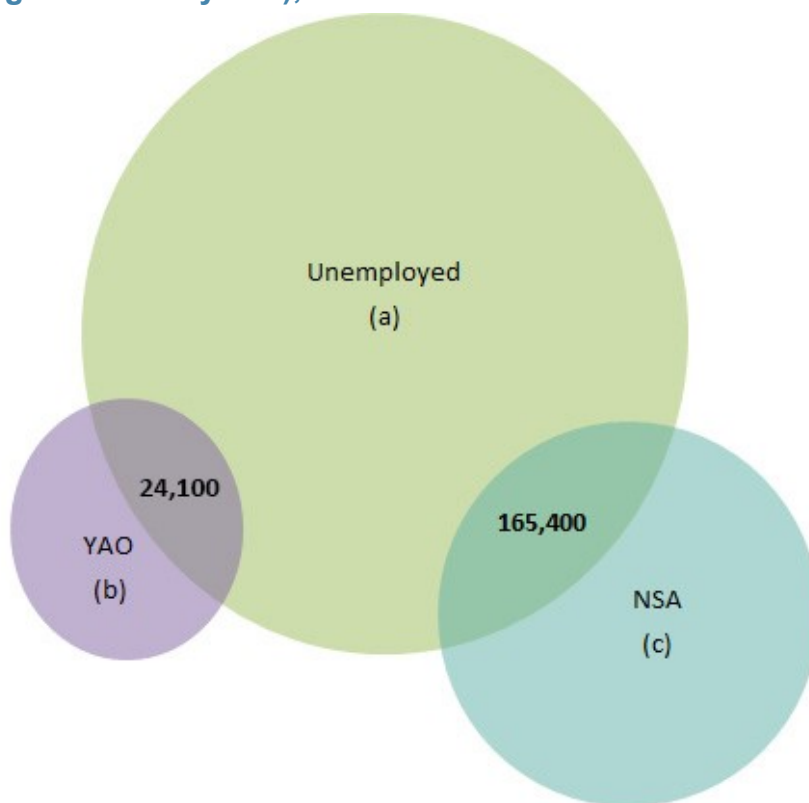
In 2019, the Commonwealth Parliamentary Library published a [paper](#) which explored the relationship between unemployment benefit recipient numbers and the number of unemployed people. A Venn diagram was generated using 2017-18 ABS data to show people who received Newstart Allowance or Youth Allowance by their unemployment status (Figure 1).

**Table 1: JobSeeker Payment and measured unemployment<sup>1</sup>**

Personal circumstances	Labour force status (ABS)
<b>Receiving JobSeeker AND</b>	
Not working, looking for a paid job	Unemployed
Working at least one hour a week in a paid job, and looking for more hours	Employed – underemployed
Not employed, exempt from job search	Not in labour force
<b>Not receiving JobSeeker</b> (for example, due to income/assets test) <b>AND</b> not working <b>AND</b> looking for work	Unemployed

<sup>1</sup> Adapted from: Commonwealth Parliamentary Budget Office, [JobSeeker Payment: Understanding economic and policy trends affecting Commonwealth expenditure](#), Report No. 03/2020, 30 September 2020, Table 1-1, p 7

**Figure 1: Venn diagram showing recipients of job seeker payments and the unemployed (aged 15 to 64 years), 2017–18**



a. Unemployed = 676,700

b. Youth Allowance (excl full-time students) = 53,700

c. Newstart Allowance = 557,300

Source: ABS, *Survey of Income and Housing 2017–18*, customised data

The paper found that unemployment benefit recipients represented 28% of all unemployed people. It also found that:

- Newstart Allowance recipients: 28% were employed, 43% were not in the labour force, and 30% were unemployed; and
- Youth Allowance (Other) recipients: 34% were employed, 19% were not in the labour force, and 45% were unemployed.

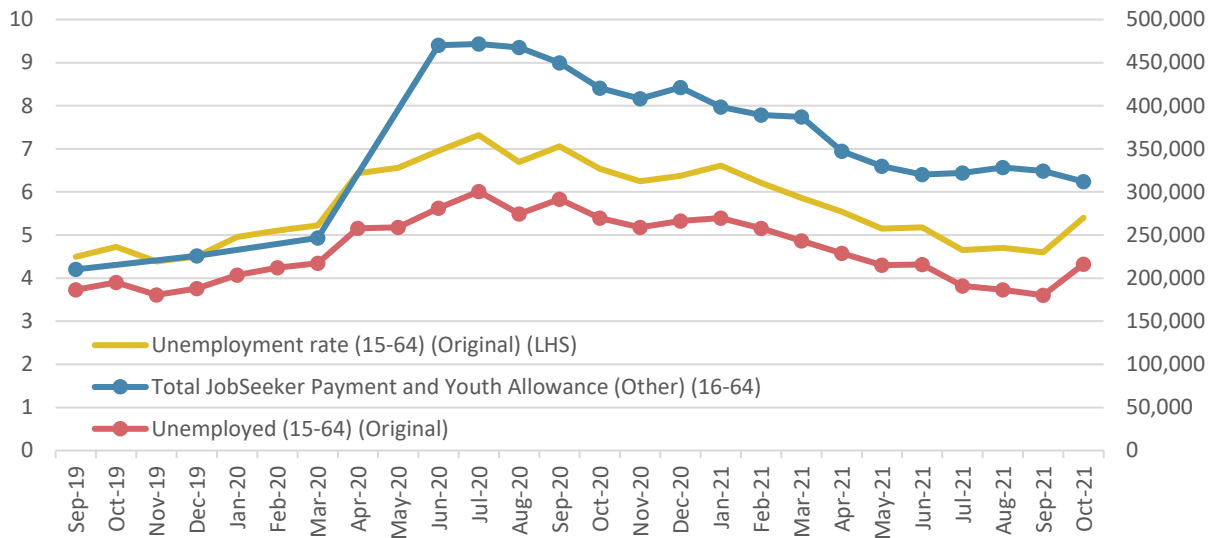
### **The impact of COVID-19 on unemployment in 2020 and 2021**

Between December 2019 and July 2020, the number of JobSeeker Payment and Youth Allowance (Other) recipients in NSW rose by 108.8%, from 225,900 to 471,600 (Figure 2). Over the same time period, the number of unemployed people aged 15 to 64 in NSW rose by 59.8%, from 188,100 to 300,600. The unemployment rate for people aged 15 to 64 rose from 4.5% to 7.3%.

In October 2021, the number of unemployment benefit recipients was significantly higher than pre-pandemic numbers (312,100 compared to 225,900). The number of

unemployed was slightly higher than pre-pandemic levels (216,000 compared to 188,100).

**Figure 2: Total JobSeeker Payment and Youth Allowance (Other) recipients and unemployed people in NSW (September 2019 to October 2021)**



The increase in unemployment benefit recipients between December 2019 and July 2020 was not as large as it otherwise would have been due to rollout of the Commonwealth Government’s [JobKeeper Payment](#). Announced on [30 March 2020](#), the JobKeeper Payment was a subsidy for businesses, paid to employers to provide income for each eligible employee who was stood down or who had their working hours reduced. The Payment ended on 28 March 2021.

During the first six months of the COVID-19 pandemic, there was a significant amount of commentary in the [media](#) and amongst experts that argued that the unemployment rate was a significant underrepresentation of the real unemployment rate. For example, [according](#) to the Secretary to the Commonwealth Treasury, Dr Steven Kennedy, the effective unemployment rate peaked at around 15% in the initial phases of the crisis. In contrast, ABS data shows the unemployment rate peaking at 7.5% in July 2020.

A number of reasons were put forward to explain this underrepresentation:

- (1) The Commonwealth Government’s JobKeeper Payment scheme kept [hundreds of thousands of people](#) attached to their workplace even if they had not been working any hours. The ABS [expected](#) that these people answered Labour Force Survey questions in a way that resulted in them being classified as employed;
- (2) As discussed previously, people who receive the JobSeeker Payment or Youth Allowance (Other) are [not automatically classified as unemployed](#), just as those classified as unemployed will not necessarily be in receipt of a government payment; and

- (3) [Many people](#) who lost their jobs in the early stages of the pandemic did not look for work, and so were classified as being “not in the labour force” rather than as “unemployed”. [For example](#), in June 2020, of the 835,100 people in Australia who lost their job since March 2020, only 211,000 were classified as being unemployed.

The most recent [JobSeeker Payment and Youth Allowance \(Other\) data](#) (October 2021) was released on 12 November 2021, and was collated by DSS on 22 October 2021. Movement restrictions for selected local government areas (LGAs) in response to the current COVID-19 outbreak in Greater Sydney were first introduced on [23 June 2021](#). A Greater Sydney-wide lockdown commenced on [26 June 2021](#). Stay at home orders for all of Regional NSW commenced on [14 August 2021](#). Restrictions began to be lifted across NSW on [11 October 2021](#).

### **Methodology: population-weighted correspondences**

The ABS defines [Statistical Areas Level 2](#) (SA2s) as medium-sized general purpose areas designed to represent a community that interacts together socially and economically. SA2s generally have an average population of about 10,000, with a range of 3,000 to 25,000 people. Remote and regional SA2s areas generally have smaller populations than those in urban areas.

The ABS provides a range of [correspondences](#) to assist users to convert statistical data to and from geographic regions included in the [Australian Statistical Geography Standard](#) (ASGS). Correspondences [mathematically](#) reassign data from one geographic region to another. As most ABS data relates to population, standard correspondences have a weighting calculated based on the location of the population. An SA2 to SED population-weighted correspondence was derived using data from an [ABS Customised report](#) provided to the Queensland Government Statistician’s Office.

In this map, Department of Social Services JobSeeker Payment and Youth Allowance (Other) data at the SA2 level was reassigned using the SA2 to SED correspondence to match the geographic regions of the 93 NSW SEDs as determined in the 2013 redistribution.

### **JobSeeker recipients by NSW electorate**

The SA2 to SED population-weighted correspondence was used to calculate estimates of the total number of people receiving either the JobSeeker Payment or Youth Allowance (Other). Following the [methodology](#) used by the Commonwealth Parliamentary Library, the Research Service calculated estimates of the proportion of the working age population (15-64) receiving either the JobSeeker Payment or Youth Allowance (Other). The estimates were calculated using 2020 working age population data from the ABS publication, [Regional population by age and sex](#) (August 2021). These estimates are indicative and should be used with caution.

## Regions

Region	Electoralates
<b>Sydney (East/Inner)</b>	Balmain, Canterbury, Coogee, Drummoyne, Heffron, Lakemba, Maroubra, Newtown, Strathfield, Summer Hill, Sydney, Vaucluse
<b>Sydney (North)</b>	Davidson, Epping, Hornsby, Ku-ring-gai, Lane Cove, Manly, North Shore, Pittwater, Ryde, Wakehurst, Willoughby
<b>Sydney (South)</b>	Cronulla, Heathcote, Kogarah, Miranda, Oatley, Rockdale
<b>Sydney (West)</b>	Auburn, Bankstown, Baulkham Hills, Blacktown, Blue Mountains, Cabramatta, Camden, Campbelltown, Castle Hill, East Hills, Fairfield, Granville, Hawkesbury, Holsworthy, Liverpool, Londonderry, Macquarie Fields, Mount Druitt, Mulgoa, Parramatta, Penrith, Prospect, Riverstone, Seven Hills, Wollondilly
<b>Central Coast</b>	Gosford, Terrigal, The Entrance, Wyong
<b>Country</b>	Albury, Barwon, Bathurst, Bega, Cootamundra, Dubbo, Goulburn, Monaro, Murray, Northern Tablelands, Orange, South Coast, Tamworth, Upper Hunter, Wagga Wagga
<b>Illawarra</b>	Keira, Kiama, Shellharbour, Wollongong
<b>Newcastle</b>	Cessnock, Charlestown, Lake Macquarie, Maitland, Newcastle, Port Stephens, Swansea, Wallsend
<b>North Coast</b>	Ballina, Clarence, Coffs Harbour, Lismore, Myall Lakes, Oxley, Port Macquarie, Tweed

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