
4.6 Employment Errata — Overcoming Indigenous Disadvantage: Key Indicators 2011.

The material in box 4.6.1 from p.4.59 was amended after the report went to print.

Box 4.6.1 Key messages

- Between 2004–05 and 2008, for those aged 15–64 years:
 - an apparent increase in the employment to population ratio for Indigenous people (from 50.7 per cent to 53.8 per cent) was not statistically significant. The rate increased for non-Indigenous people (from 74.2 per cent to 76.0 per cent) and there was no significant change in the gap over this period (figure 4.6.1).
- The number of Indigenous people on CDEP halved between 2002 and 2008, and there was a significant increase in ‘mainstream’ employment.
- Between 1994 and 2008, for Indigenous people aged 15–64 years:
 - the labour force participation rate increased from 54.5 per cent to 64.5 per cent (figure 4.6.3)
 - the unemployment rate decreased from 31.0 per cent to 16.6 per cent (figure 4.6.6).

The Council of Australian Governments (COAG) has committed to ‘halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade’ (COAG 2009a). Employment outcomes are directly related to people’s living standard and many aspects of their wellbeing. Being employed leads to improved income for families and communities, which in turn has a positive influence on health and the education of children. Employment also enhances self-esteem, increases opportunities for self development, influences interaction at the family and community levels and reduces social alienation.

The primary measure for this indicator is the ‘employment to population ratio’, which measures the number of people employed as a proportion of the working age population.

This section also includes data on related measures:

- labour force participation rates
- Community Development Employment Projects (CDEP) participation
- unemployment
- outcomes from employment assistance programs.

Employment by part time/full time status and skill level is discussed in more detail in section 8.1. The focus of this section is the extent to which people are participating in the labour force or are unemployed.

The labour force is the most widely used measure of the economically active population or the formal supply of labour. It measures the number of people contributing to, or willing to contribute to, the supply of labour and — as defined by the ABS — comprises two mutually exclusive groups within the population:

- the employed (people who have worked for at least one hour in the reference week, including those who have received wages for participating in CDEP)
- the unemployed (people who are without work, but are actively looking for work and available to start work within four weeks).

The remainder of the population are not in the labour force. There are many reasons why people are outside the labour force: they may not wish or be able to work because they are studying in education, retired, caring for family members, have a disability or poor health or have some other means of financial support. ABS National Aboriginal and Torres Strait Islander Social Survey 2008 (NATSISS 2008) data show that out of the top reasons Indigenous people aged 18 to 64 years were outside of the labour force in 2008, the majority (57.1 per cent) of respondents cited they were unable, or did not want, to work (table 4A.6.25). Other common reasons included child care (14.2 per cent), family reasons (7.8 per cent), study (7.5 per cent), and long term health condition or disability (5.5 per cent).

Alternatively, people may become discouraged jobseekers who would like work but are not actively looking for work. Discouraged jobseekers might believe that there are no suitable jobs in their area, the costs of searching are too great, or that they do not have the appropriate skills or qualifications (Hunter and Gray, 2001). It is likely that the true extent of unemployment — particularly long term unemployment — is underestimated due to discouraged jobseekers.

Even if a person is employed, they may be not necessarily work the number of hours they wish to. This is known as underemployment — an issue which has become increasingly prominent in recent decades, as part time employment levels have risen (see section 8.1 for data on full time/part time employment status) (Hunter, 2010). Data from the NATSISS 2008 indicate that a higher proportion of Indigenous males work part time than non-Indigenous males (although there is no statistical difference between Indigenous and non-Indigenous females), which implies there could be a greater occurrence of underemployment amongst the Indigenous male population (figure 8.1.1).

While many Indigenous people in more remote areas are considered ‘outside’ of the labour force, many are still actively engaged in productive activities such as the production of Indigenous art or participation in traditional customs, which often generate income but are not always recorded as employment (Altman, Buchanan and Biddle, 2006).

Data for employment to population ratios, labour force participation and unemployment in this section are from the ABS NATSISS 2008. Data are reported for the population aged 15 to 64 years, which aligns with National Indigenous Reform Agreement performance reporting (SCRGSP 2009). The age of 15 years is the lowest practical limit above the compulsory schooling age for measuring the participation of young people in economic activity. The age of 65 years is when most people have retired from the workforce.

For non-Indigenous people, this section uses data from the ABS National Health Survey 2007–08 (NHS 2007–08). The NHS allows for comparisons over time (between this and previous editions of the report) and by remoteness area. For reporting against the National Indigenous Reform Agreement (NIRA), the Steering Committee uses data derived from the ABS Survey of Education and Work for non-Indigenous people, which maintains consistency between reporting for the NIRA and other COAG National Agreements. Data from the Survey of Education and Work are not used here as they are not available by remoteness and are not suitable for time series comparison with non-Indigenous data for earlier years, which is an essential component of the analysis in this report.

The Indigenous labour force participation and unemployment data reported in this section are influenced by the CDEP program, which is funded by the Australian Government and supports Indigenous people in remote areas through community development and participation opportunities that develop skills, improve work readiness and employability, and link with local priorities. More information on the CDEP program is included in box 4.6.2.

Employment outcomes are also discussed in chapter 13 of this report, which contains regression analysis of labour market outcomes in the areas of: ‘mainstream (non-CDEP) employment’, ‘unemployment’, ‘CDEP participation’, and ‘labour force participation’.

Box 4.6.2 Community Development Employment Projects (CDEP)

The original aim of the CDEP program — introduced in 1977 — was to create local employment opportunities in remote Indigenous communities where the labour market might not otherwise offer employment. The program was later extended to all areas. However, a recent restructuring of the CDEP program has seen its focus shift back to supporting employment opportunities in remote Indigenous communities.

For statistical purposes, in the 2008 NATSISS, the ABS classified known participants in CDEP as employed rather than as unemployed or not in the labour force. Consequently the employment rate for Indigenous people appears higher than it would be if participants in the CDEP program were classified as unemployed. It is important to consider CDEP when analysing historical labour force and unemployment data because, at the time data were collected:

- CDEP participant payments comprised a mix of both wages and income support payments such as NewStart Allowance
- CDEP had elements of both unemployment and employment, especially in remote and very remote areas. Some CDEP activities were similar to those undertaken by participants in Work for the Dole, while other activities were essential roles in municipal services, health care, community services, education and other sectors that would be considered employment in mainstream communities and organisations. However, through the National Partnership Agreement on Indigenous Economic Participation agreed in early 2009, COAG committed to converting around two thousand CDEP positions to ongoing jobs in the government service provision (COAG 2009b).

Following the collection of the NATSISS data contained in this Report, in late 2008 significant changes to CDEP were announced. Since then, CDEP has ceased operating in non-remote locations where the economy was already reasonably established, with services to Indigenous job seekers in those areas now provided through Job Services Australia and the Indigenous Employment Program (IEP). Commencing on 1 July 2009, new CDEP participants received corresponding income support payments rather than wages, with existing CDEP participants continuing to access CDEP wages until 30 June 2011 before transferring to the new payment arrangements.

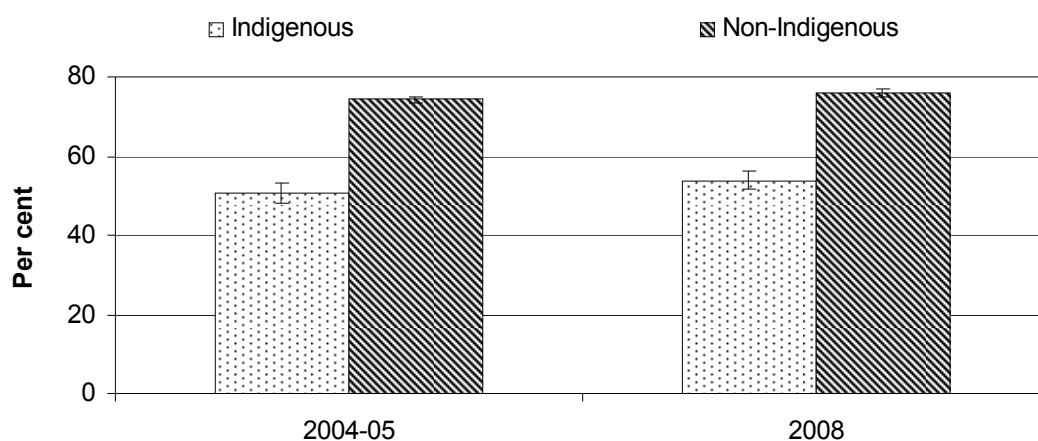
Errata — Overcoming Indigenous Disadvantage: Key Indicators 2011.

The following material from p.4.63 was amended after the report went to print.

Employment to population ratio

The employment to population ratio measures the employed as a proportion of the working age population.

Figure 4.6.1 **Proportion of population aged 15–64 years old employed, 2004–05 and 2008**



Source: ABS (unpublished) NATSIHS 2004-05; ABS (unpublished) NHS 2004-05; ABS (unpublished) NATSISS 2008; ABS (unpublished) NHS 2007-08; table 4A.6.1.

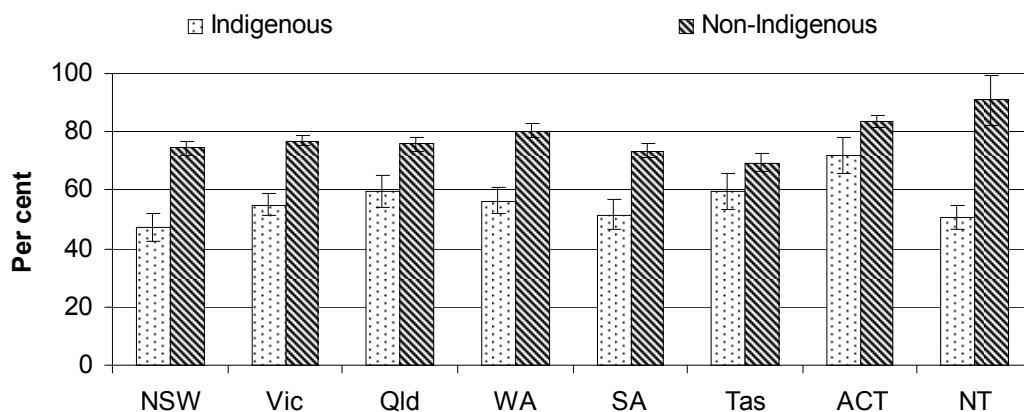
Between 2004–05 and 2008, for those aged 15–64 years:

- an apparent increase in the employment to population ratio for Indigenous people (from 50.7 per cent to 53.8 per cent) was not statistically significant. The rate increased for non-Indigenous people (from 74.2 per cent to 76.0 per cent). Overall, there was no significant change in the gap between Indigenous and non-Indigenous people over this period (from 23.5 percentage points in 2004–05 to 22.2 percentage points in 2008) (figure 4.6.1).

Errata — Overcoming Indigenous Disadvantage: Key Indicators 2011.

The following material from p.4.64 was amended after the report went to print.

Figure 4.6.2 Proportion of population aged 15–64 years old employed, by State and Territory, 2008



Source: ABS (unpublished) NATSISS 2008; ABS (unpublished) NHS 2007-08; table 4A.6.1.

In 2008, for those aged 15–64 years:

- employment to population ratios for Indigenous people were lower than for non-Indigenous people in all states and territories. This gap was highest in the NT (50.8 per cent of Indigenous people employed compared to 90.8 per cent of non-Indigenous people) (figure 4.6.2)
- employment to population ratios varied across states and territories for both Indigenous and non-Indigenous people (figure 4.6.2).

Labour force participation

The labour force participation rates used in this section are calculated as the number of people aged 15 to 64 years who are employed or unemployed (the labour force), divided by the population in that age group.