



Grow old along with me!

The best is yet to be...

(Robert Browning, *Rabbi Ben Ezra*, stanza 1, 1864)

## Setting the scene

### Origins of the inquiry

- 1.1 The inquiry was initiated because of the Committee's concern that the difficulties faced by mature-age people in attempting to re-enter the workforce or establish a business following unemployment, were not sufficiently recognised and dealt with in the policy arena. It is clear that many cultural myths and stereotypes exist about the place of mature-age workers in the workforce and these militate against their finding employment. These issues need to be examined and challenged.
- 1.2 The Minister for Employment, Workplace Relations and Small Business had also identified his concern about mature-age unemployment. The Minister agreed to the Committee's suggestion for the inquiry and gave it his full support.
- 1.3 Mature-age workers, particularly males, were identified as a disadvantaged group in the report of a 1995 Senate inquiry into long-term unemployment.<sup>1</sup> However, with the exception of some State and Territory Government programs (examined later in this report), mature-age workers are not identified as a disadvantaged group for labour market assistance.

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<sup>1</sup> Senate Employment, Education and Training References Committee, *Report on the inquiry into long term unemployment*, Canberra, October 1995, p. 41.

## Structure of the report

- 1.4 This chapter defines key terms; outlines some of the major issues; and examines the position of mature-age job seekers in the labour market. This includes the social and demographic trends that will affect the growth of the labour market in the future. Chapter 2 examines the impact of unemployment on mature-age people and its cost on the community and the overall economy.
- 1.5 The causes of mature-age unemployment and the particular barriers faced by mature-age job seekers are covered in Chapter 3. Chapter 4 examines the strategies that are currently in place for assisting mature-age workers to find employment and discusses what else needs to be done. Chapter 5 deals with issues relating to unemployed mature-age people who opt to start their own business following retrenchment.

## Definitions

- 1.6 The following definitions come mainly from the Australian Bureau of Statistics (ABS), especially its publications *Labour Force*, *Persons not in the Labour Force* and *Job Search Experience of Unemployed Persons*. The one exception is that of 'mature-age' which is the Committee's definition for the purpose of this inquiry. The ABS also publishes data on people who are not in the labour force, for example discouraged workers, to provide broader assessments of people's attachment to the workforce. These labour force definitions closely conform to the international standard definitions adopted by the International Conference of Labour Statisticians. The consistency enables cross-country comparisons to be made of unemployment levels on a standard basis.

**Box 1.1 Definitions<sup>2</sup>**

**Mature-age**, for the purposes of this report, refers to people aged 45 to 64 years of age.

**Baby Boomers** are people born in Australia and overseas between 1946 and 1965.

**Employed people** include those aged 15 and over who, during a reference week,<sup>3</sup> worked for one hour or more for pay, or worked for one hour or more without pay in a family business or on a family farm.

**Full-time workers** are those who usually work 35 hours or more a week (in all jobs) and those who, although usually working less than 35 hours a week, worked 35 hours or more during the reference week.

**Part-time workers** are those who usually work less than 35 hours a week and who did so during the reference week.

**Under-employment** refers to part-time workers who would prefer to work more hours. It also includes full-time workers who worked less than 35 hours in the reference week because they were stood down or had insufficient work.

People are classified as **unemployed** if they have actively looked for work in the four weeks before being interviewed, and are available to start work.

**Long-term unemployment** is where a person has been continuously unemployed for 52 weeks (12 months) or more. **Very long-term unemployment** is where a person has been continuously unemployed for 104 weeks (24 months) or more (this is a subset of the long-term unemployed group).

The **unemployment to population ratio** (the incidence of unemployment) is the number of unemployed people expressed as a percentage of the civilian population in the same group.

The **unemployment rate** is the number of unemployed persons in a particular group, expressed as a percentage of the number in the labour force in the same group.

The **labour force** includes those who are employed and those seeking employment. The **labour force participation rate** is the number of people in the labour force expressed as a percentage of the civilian population in the same group.

**Discouraged workers** are persons who have withdrawn from the labour force because they perceive their job prospects as poor in the light of the current labour market conditions.

The ABS defines a **small business** as one with less than 20 employees. Micro businesses employ less than five people. Small businesses tend to be independently owned and managed, closely controlled by owner/managers who contribute most of the operating capital and who make the principal decisions in the business.

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2 ABS, *Labour Force, Persons not in the Labour Force and Job Search Experience of Unemployed Persons*, various issues.

3 The week in respect of which information is collected on the economic activity of persons aged 15 and over and which forms part of the monthly ABS Labour Force Survey.

## The issues

- 1.7 A common response from submissions and witnesses was that the problems faced by mature-age unemployed people need to be acknowledged in public policy. It became clear to the Committee that this acknowledgment was often necessary for the psychological well-being of those affected by unemployment. Many witnesses said that often the hardest thing to cope with was the impression that no one cared about their plight.

An overwhelming feeling expressed by mature aged unemployed persons is that nobody cares. Employers, society and government have abandoned them in a rapidly changing work environment that they do not fully understand.<sup>4</sup>

- 1.8 One of the most striking issues was the devastation that unemployment brings to mature-age workers. Self-esteem is particularly affected. This flow-on effect on their personal lives often makes the search for a job even more difficult. Some of those who made submissions to the Committee seemed to consider that policy makers have largely ignored, or are indifferent to, the psychological fallout from retrenchment and unemployment.<sup>5</sup>

- 1.9 Coupled with the shock of job loss to many who have never had to search for work before, is the realisation that it is much more difficult to find work than they thought. Many carry with them the common belief that if you really want to work, and have many years of work experience, then you will be able to find a job. It is not until they have spent some months trying to secure another job that they begin to appreciate the enormity of the task they face. Many mature-age job seekers feel alone, forgotten and undervalued for their skills and knowledge. These feelings are compounded by the fact that their difficulties are not reflected in many public pronouncements about unemployment.

- 1.10 The problem of mature-age unemployment is to some extent disguised by the lower than average recorded unemployment rate for people in the over 45 age group (4.2% in December 1999). However, 48.7 per cent of the mature-age unemployed in December 1999 were long-term unemployed, over double the rate
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4 South East NSW ACC, Submission no. 92, p. 2.

5 Mountains Community Resource Network, Submission no. 107, p. 12; COTA, Submission no. 109, p. 20; Albury-Wodonga ACC, Submission no. 114, pp. ii-iii.

for younger job seekers (23.8%).<sup>6</sup> Nearly 37 per cent of unemployed people aged 45 to 64 had been unemployed for two years or more. In contrast, only 13.2 per cent of job seekers under 45 had been unemployed for two years or more.<sup>7</sup>

- 1.11 Unemployment has wider social and economic dimensions, affecting both the individual and the community. These include unemployment's impact on their families, their personal relationships and health, and the creation of second generation unemployment among children. Mature-age men especially feel devalued by losing their role in supporting their families.

Many older workers are embarrassed to be identified as unemployed, especially in the smaller population centres where there is less anonymity...[some unemployed] people do not canvas for work at all due to the social stigma...<sup>8</sup>

- 1.12 The economic impact of unemployment is often severe. Becoming unemployed at an older age has a greater financial effect than for young people as older job seekers have less time available to make up the shortfall in earnings before retirement. Later marriages, having children later and remarriages following divorce mean that mature-age job seekers also often have families to support, with mortgage and education expenses. More young people are dependent on mature-age parents for longer as they spend more time in education. Some mature-age people have the added responsibility of caring for ageing parents as well as for children.
- 1.13 Loss of income at this later stage of life can result in a run-down of savings, assets and superannuation. It can therefore have a long-term impact on living standards in later retirement years. This in turn has Federal Government budgetary implications.
- 1.14 In facing the prospect of unemployment, many seek to buy themselves a job by investing their savings in a small business. Business failure may then compound the financial and psychological damage resulting from losing their jobs. Others opt out of the labour force entirely into early retirement, or apply for other income support payments to avoid the stigma that comes

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6 DEWRSB, Submission no. 142, pp.19-20.

7 ABS, *Labour Force Estimates December 1999*, unpublished data December 1999, p. B18.

8 Albany Employment Development Committee Inc, Submission no. 95, p. 6.

with being unemployed. This action can also compromise their standard of living in their later retirement years.

- 1.15 Stresses are also placed on the economy. Productive capacity and skills are lost to the labour force that can result in skill shortages in an improving economy. The burden of unemployment is uneven, falling disproportionately on the most disadvantaged and the least skilled. Unemployment also occurs differentially across regions. Social cohesion can be affected because certain people do not gain the benefits of economic reforms. The Committee was therefore keen to explore these issues.
- 1.16 The inquiry's purpose was to assess the labour market and the situation of mature-age workers within it. The Committee examined the extent of mature-age unemployment, the degree of difficulty faced in finding work and the underlying factors contributing to these difficulties. The inquiry involved an examination of the broader institutional framework in place, particularly the incentives and disincentives that influence participation in the workforce, or decisions to take early retirement, such as income support and superannuation provisions.
- 1.17 A particular focus of the inquiry has been on the role of employers. Employers, and society in general, hold inaccurate perceptions about the capability of mature-age workers. People are often considered 'old' as young as 35. Employer practices in retrenching staff and the need for early intervention in providing help before people lose their jobs were important areas of the inquiry. Recruitment practices of employers and their hiring staff, and of personnel in employment services were also examined.

## Demographic trends

### An ageing population

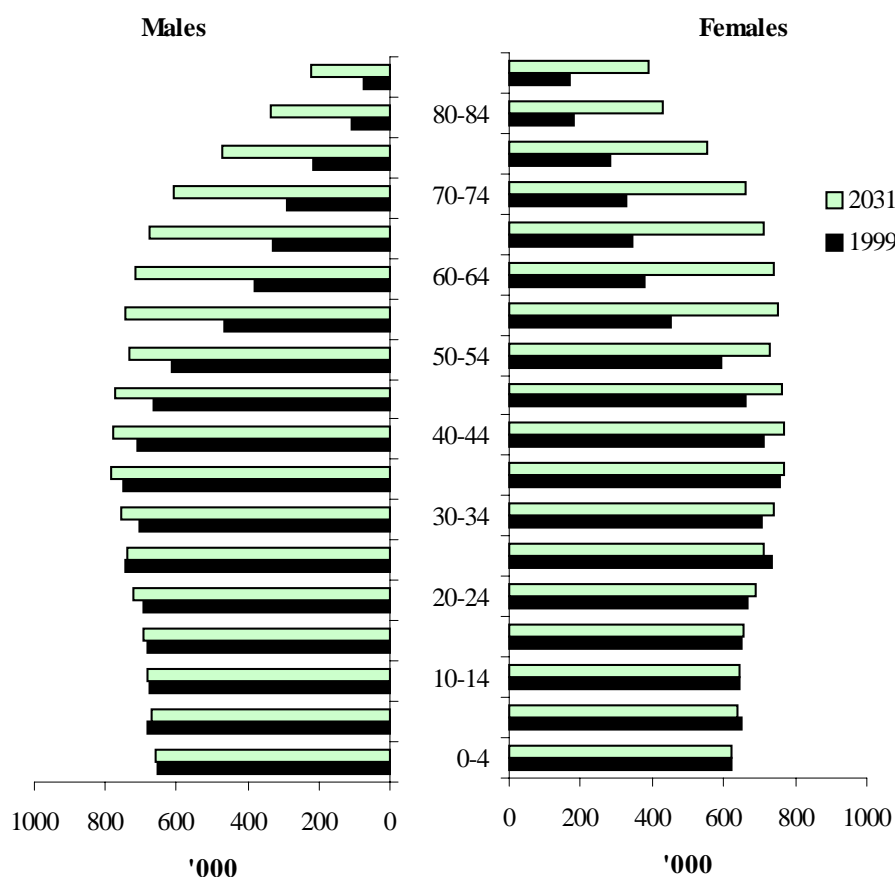
- 1.18 The average age of Australia's population is increasing, although not as quickly as in other developed countries.<sup>9</sup> The population aged 45 to 64 will continue to increase rapidly until 2011, then

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<sup>9</sup> Minister for Aged Care, *The National Strategy for an Ageing Australia*, Background Paper, April 1999, p. 8.

more slowly up to 2051.<sup>10</sup> Between 2011 and 2031, the population aged 65 and over will grow from three to five million.<sup>11</sup> Figure 1.1 shows the population in 1999 and the projected profile for 2031.

Figure 1.1 Projected age distribution for Australia at 2031 and actual population in 1999



Source: Prepared by A. Kryger, Parliamentary Library, 31 May 2000 based on ABS, *Population Projections 1997-2051* (Cat. No 3222.0), 14 July 1998 and ABS, *Population by Age and Sex 1999* (Cat. No 3201.0), 16 December 1999.

1.19 This change in population profile is due to longer life expectancy, declining fertility and immigration levels, and the ageing of the baby boomer generation. The oldest of this age group 'began turning 45 in 1991 and will begin turning 55 in 2001'.<sup>12</sup> This generation is significantly larger than preceding age groups due to high levels of immigration and fertility following the Second World War.<sup>13</sup> The ageing of the baby boomers resulted in the number of people aged 45 to 64 increasing by 30 per cent in the

10 DFACS, Submission no. 115, p. 4.

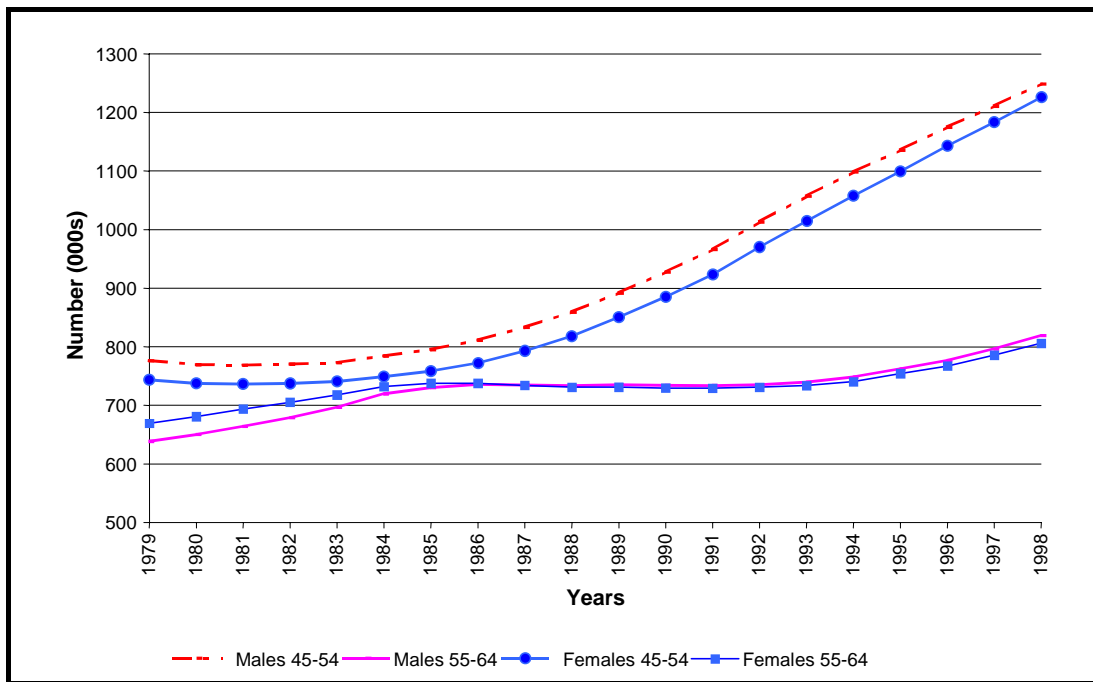
11 ABS *Australian Social Trends*, 1999, p. 7.

12 DFACS, Submission no. 115, p. 4.

13 ABS, *Australian Social Trends 1999* Cat. no. 4102, June 1999, p. 7.

decade to 1998 (Figure 1.2). Surviving baby boomers will boost the number of people aged 85 and over from 612 000 to 1.1 million between 2031 and 2051.<sup>14</sup>

Figure 1.2 Size of the mature-age population—at August, 1979-1998



Source: ABS, *Labour Force Australia*, (Cat. No 6203), in DFACS Submission no. 115, p. 4.

## Future labour market supply

1.20 'Labour force participation rates, as well as demographics, determine the size of the labour force, while...the response of individuals to many complex social and economic pressures determine participation rates'.<sup>15</sup> The ageing of the population is slowing the growth of the workforce. This is because the older age groups tend to have lower participation rates than younger age groups. Workforce growth slowed over the past two decades from 23.5 per cent between 1978 and 1988 down to 17.1 per cent between 1988 and 1998. The workforce will grow by just over 13.8 per cent over the next decade.<sup>16</sup> *The National Strategy for an Ageing Australia, Employment for Mature Age Workers Issues Paper* provides the following figures:

14 ABS *Australian Social Trends 1999*, p. 7.

15 DEWRSB, Submission no. 142, Attachment B, p. 1.

16 DEWRSB, Submission no. 142, p. 7.



...whilst the working age population currently grows by 170 000 a year, during the 2020s the working age population will grow by just 125 000—not per annum, but over the whole decade.<sup>17</sup>

- 1.21 Mature-age workers will comprise an increasing proportion of the labour force over the decade from 1998 to 2008.<sup>18</sup> Fertility rates are lower and young people are more likely to start work later as they spend more time in education.<sup>19</sup> Relatively fewer people in younger cohorts should result in lower youth unemployment and a rise in demand for older age workers.<sup>20</sup>
- 1.22 The effects of an ageing population are of policy interest because of a possible increase in the ‘aged dependency ratio’, that is, the number of retired people over 65 compared to the total number of employed people.<sup>21</sup> The aged dependency ratio indicates the burden that working people carry to support retired people. The most rapid change in the relative size of working and retired people will occur between 2011 and 2031.<sup>22</sup>
- 1.23 The prosperity of society relies on goods and services produced by available resources, including labour. Many older workers have a wealth of knowledge and experience that is not being fully used. The OECD has argued that if the proportion of the population who are working and productivity growth in Australia both remain the same, then ‘growth in material living standards will halve by the year 2010’.<sup>23</sup> The Hon Bronwyn Bishop, the Minister for Aged Care, has outlined the implications for the workforce.

This demand [for goods and services from a fast growing retired population] will not be met by the projected workforce unless efforts are made to encourage higher workforce participation by the population aged 55–70.

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17 Minister for Aged Care, *The National Strategy for an Ageing Australia, Employment for Mature Age Workers*, Issues Paper, November 1999, p. 5.

18 DEWRSB, Submission no. 142, p. 7.

19 DEWRSB, Submission no. 142, p. 3.

20 DFACS, Submission no. 115, p. 4.

21 DEWRSB, Submission no. 142, p. ii. (The broader ‘dependency ratio’ is the number of those under 15 and those 65 and over compared to the number of people in employment.)

22 ABS *Australian Social Trends, 1999*, p. 8.

23 DEWRSB, Submission no. 142, p. 43.

The importance of encouraging mature age workers to remain in the workforce is clear.<sup>24</sup>

- 1.24 One of the challenges identified by the OECD in dealing with an ageing population is market responsiveness—how labour markets can respond flexibly to changing demographics. One highly desirable approach is to encourage people to remain in the work force until a later age. This, of course, requires an acceptance by employers that mature-age workers have much to contribute.
- 1.25 The Department of Family and Community Services (DFaCS) pointed out that encouraging people to stay in the workforce longer has broader economic benefits.

The greater the flexibility and range of skills available in the labour force, the more able it is to respond to the demands of a dynamic economy. Reductions in the level and quality of labour generally would be expected to reduce the level, and rate of growth, of economic activity below the economy's potential.<sup>25</sup>

## Early retirement

- 1.26 In the absence of long-term planning, early retirement can impose an additional cost on the income security system. The effect of this is compounded by increases in life expectancy. The life expectancy of males in Australia increased from 69.2 years in 1975 to 75.8 years in 1998. The life expectancy of females increased during the same period from 76.2 to 81.5 years.<sup>26</sup>
- 1.27 The OECD, in its *Economic Survey Report on Australia*, indicated that higher proportions of superannuation savings, accessed through early retirement, puts pressure on the income support system. Early retirement reduces older workers' capacity to save for retirement and can therefore result in a lower standard of living after age-pension age.<sup>27</sup> Early retirement also enables recipients to take superannuation in a lump sum to use as income so that at retirement age, they are eligible for the age pension.<sup>28</sup>

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24 Minister for Aged Care, *A National Strategy for an Ageing Australia, Mature Age Workers*, Issues Paper, November 1999, p. 10.

25 DFaCS, Submission no. 115, p. 10.

26 Provided by the Parliamentary Library from ABS, *Deaths Australia* Cat. no. 3302.0.

27 OECD, *OECD Economic Surveys 1998–99: Australia*, OECD 1999, pp. 140, 144, 149.

28 V. Fitzgerald & C. Rooney, *Rethinking Work and Retirement*, Report to the National Australia Bank, September 1999, p. 32.

1.28 *The National Strategy for an Ageing Australia* Background Paper reported that:

In 1997, 77 per cent of men and 87 per cent of women had already retired from full-time work during the five years preceding their eligibility for the age pension.<sup>29</sup>

1.29 The trend to early retirement by men aged 55 to 59 has been stronger in Australia than the average OECD trend. Of concern is that most people retiring early have not done so by choice.<sup>30</sup> The Committee was told that some people have taken voluntary redundancy packages because of the uncertainty of their jobs and the fear that future redundancies would not be as favourable as the ones on offer.<sup>31</sup> The Committee also heard evidence that it is common for people later to regret accepting voluntary redundancies.

We did some work with people in a couple of major bureaucracies, in both the private and public sectors, ...who had accepted voluntary departure packages and had regretted the decision 12 months after accepting them. ...when they made that decision, they were not equipped to make it. They had no concept of how difficult re-employment would be. They were quite vociferous about their perceptions of prejudice as a result of their age.<sup>32</sup>

1.30 According to the ABS, most people retire before they qualify for the age pension and probably earlier than they originally planned to. For example, in 1997, some 30 per cent of men in full-time work who were aged 45 or over expected to retire between 55 and 64. However, of those men who were already retired in 1997, 53 per cent had retired between 55 and 64.<sup>33</sup>

1.31 More intending retirees believe they will be able to fund their retirement from superannuation than is actually the case among people who have retired. ABS evidence shows that people's

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29 Minister for Aged Care, *National Strategy*, Background Paper, p. 12, citing Commonwealth Department of Health and Family Services, Australian Institute of Health and Welfare, 'Health Expenditure on Older people' in *Older Australia at a Glance*, 1997.

30 Fitzgerald & Rooney, *Rethinking Work and Retirement*, pp. 14, 22.

31 DOME SA, Submission no. 36, p. 2.

32 N. Stevenson, JobsEast ACC, Transcript, p. 208.

33 ABS, *Retirement and Retirement Intentions 1997* Cat. no. 6238.0, 2 June 1998, pp. 3 & 7.

expectations of their financial requirements in retirement are markedly different from the income they actually require to maintain an acceptable living standard. Many retirees eventually become reliant on the age pension for some financial support. As a study by the Allen Consulting Group stated:

Of those who intend to retire within the next ten years [from 1997], the most common *expected* main source of income is a pension purchased with a superannuation lump sum payment (44%). Only 18 per cent expected to be reliant on the age or service pension. *This compares starkly with the reality that only around one quarter of actual retirements are funded by superannuation and that two thirds of retirees are in receipt of a full rate pension.*<sup>34</sup>

1.32 Data collected by Dr Bacon and Mr Gallagher show that males retiring more than 10 years prior to pension age or at pension age, rarely have superannuation as their main income source.<sup>35</sup> Males retiring at pension age are very likely to be reliant on social security (67%) while those retiring very early (between 45 and 54) predominantly rely on social security (52%).<sup>36</sup> In 1998–99, 83 per cent of people aged over 65 received the age pension (or equivalent payment). Just over two-thirds (67%) received the pension at the maximum level of payment (at June 1998).<sup>37</sup>

1.33 Bacon and Gallagher have found that ‘involuntary early retirees are more than twice as likely as voluntary early retirees to depend on social security payments.’<sup>38</sup> The impact of early retirement on individuals was outlined by DFaCS.

Prolonged periods without earning in the 20 years leading to age pension age can result in erosion of skills and personal savings, increasing marginalisation within society and increased risk of low incomes and poor health in retirement.<sup>39</sup>

1.34 While the superannuation guarantee levy is gradually increasing superannuation savings for prospective retirees, it will be some

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34 Fitzgerald & Rooney, *Rethinking Work and Retirement*, p. 34. The emphasis is the authors’.

35 Fitzgerald & Rooney, *Rethinking Work and Retirement*, p. 33.

36 Fitzgerald & Rooney, *Rethinking Work and Retirement*, pp. 32–33.

37 Minister for Aged Care, *A National Strategy*, Background Paper, p. 12.

38 Quoted in Fitzgerald & Rooney, *Rethinking Work and Retirement*, pp. 33–34.

39 DFaCS, Submission no. 115, p. 17.

time before any significant sums become available. Treasury estimates that 'the superannuation system gives us savings on age pension outlays for about 20 per cent of the population'.<sup>40</sup> The superannuation guarantee levy will only start to provide appreciable savings from about 2015, as people will begin receiving part-rate pensions rather than the full payment amount.<sup>41</sup>

1.35 In the longer term, it is expected that by 2050 around 25 per cent of people aged 65 and over will be able to self-fund their retirement or will still be working. By that time, only around one-third will be receiving a full age pension (compared to about 55% now). It is predicted that around 40 per cent of people aged over 65 will finance their retirement from a combination of the age pension and investments.<sup>42</sup> ABS data show that there has been a steady increase in retirement scheme membership by those aged 45 and over, retiring from full-time work. The increase was from 38 per cent in 1983 to 60 per cent in 1997.<sup>43</sup> Despite these trends, current retirement income policy will not be sufficient to enable higher levels of early retirement without some public income support.

1.36 OECD countries have begun to shift policy on mature-age unemployment. Some countries are making a greater effort to encourage mature-age people to participate more fully in the labour market and to improve their 'employability' through lifelong education and training. Greater remedial help is provided via active labour market programs. There may be other options not yet identified.

Governments and communities are coming to the view that an important part of the solution is to develop a well skilled, competitive and adaptable labour force that facilitates productivity improvements and avoids inflationary wage pressures.<sup>44</sup>

1.37 New Zealand evidence suggests that declining labour participation among older people could be reversible if policies provide the right incentives. Eligibility for superannuation in

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40 P. Gallagher, Transcript, p. 490.

41 Gallagher, Transcript, p. 490.

42 Minister for Aged Care, *The National Strategy, Independence and Self Provision Discussion Paper*, November 1999, p. 13.

43 ABS, *Retirement and Retirement Intentions 1997* Cat. No. 6238.0, p. 6.

44 DEWRSB, Submission no. 142, p. 58.

New Zealand is rising progressively from age 60 in 1992 to 65 in 2001. This has increased the participation rate of those aged 55-64 by 8.45 percentage points.<sup>45</sup> Australia is following suit in gradually raising the preservation age for superannuation. However, the starting age is lower and commences later. The compulsory preservation age will increase progressively from age 55 from 2016 and will rise to 60 in 2025.<sup>46</sup>

- 1.38 The Federal Government also introduced the Pension Bonus Scheme<sup>47</sup> in 1998 to provide an incentive for people to consider working beyond the age at which they become eligible for the age pension. Approximately 13 000 people were registered with the scheme in July 1999, the end of its first year of operation.<sup>48</sup> It is too early yet to assess its effect.

### Increasing dependency on income support

- 1.39 Over the past 20 years, mature-age people have become increasingly dependent on income support.
- 1.40 The proportion of people aged 50 to 64 receiving income support increased from 26.8 per cent in 1978 to 33.5 per cent in 1997. The June 1999 submission from DFACS stated that 'this increase in the number of 50 to 64 year olds receiving income support since 1978 now costs an extra \$2.6 billion a year.'<sup>49</sup> Half of this additional cost is due to greater numbers of people in the age cohort. The other half is due to the increase in the proportion of people who are receiving income support payments.<sup>50</sup>
- 1.41 DFACS indicated that the increasing reliance of mature-age people on these payments, when mature-age employment is improving,

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45 DEWRSB, Submission no. 142, p. 46.

46 DFACS, Submission no. 115, p. 20.

47 People accrue a pension bonus payment on deferring claiming the age pension while continuing to work. The bonus is a tax-free lump sum paid when they eventually claim the age pension. People need to register for the scheme within 13 weeks of becoming eligible for the age pension. Those who register later will be registered from the date of their application. Some discretion is available to backdate the application to the date of eligibility for the pension. DFACS, Submission no. 115.1, pp. 5-6.

48 DFACS, Submission no. 115.1, p. 5.

49 DFACS, Submission no. 115, p. 15.

50 DFACS, Submission no. 115, p. 15. Data refers to research undertaken with men aged 50-64 and women aged 50-61. Age pension age for women is currently 61, gradually increasing to 65 in 2013. DFACS, Submission no. 115, p. 20.

may be due to the way that unemployment is distributed in families. DFaCS stated:

Women who have moved into both full and part-time jobs tend to have partners who are also employed. Jobless men tend to have jobless wives. There are now more older working-age people in families where neither partner works as well as more single older jobless people...<sup>51</sup>

1.42 In recognition of this circumstance, the Federal Government in its 2000–2001 Budget, funded the workless families assistance pilot (\$2.4m over two years) which will pay up to \$500 per family to help couples find work.<sup>52</sup>

1.43 Most of the growth in receipt of income support has been in payments that are free of any requirement to look for work. Just under 84 per cent of older working age people on income support (men aged 50 to 64 and women 50 to 61) are receiving payments that are not activity tested.<sup>53</sup> Thirty-two per cent of people aged 50 to 64 who are on income support are on the Disability Support Pension, 24 per cent are women receiving the Age Pension and nearly 6 per cent are on the Mature Age Allowance. Only 12 per cent receive the Newstart allowance.<sup>54</sup> The non-activity benefits were intended to recognise that older people without recent workforce experience face significant disadvantage in the labour market. However, DFaCS told the Committee that:

Non-activity tested allowees can face a greater risk of long term dependence on income support payments than do activity tested customers as there are no specific measures in place to require, encourage or facilitate economic or social participation by this group.<sup>55</sup>

1.44 A significant proportion of non-activity arrangements, however, has been criticised. The OECD has indicated that these types of

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51 DFaCS, Submission no. 115, pp. 15–16. See Chapter 2 on the effects on unemployment of social conditioning of family roles.

52 <http://www.facs.gov.au/Internet/FaCSInternet.nsf/aboutfacs/budget/budget2000-wnwd.htm>, 10 May 2000, p. 2.

53 Based on data for June 1997. DFaCS, Submission no. 115, p. 16.

54 DFaCS, Submission no. 115, p. 16.

55 DFaCS, Submission no. 115, p. 17.

payments have made early retirement 'more palatable' for people to take up.<sup>56</sup>

- 1.45 The Australian Council of Social Service (ACOSS) noted that early retirement policies are based on the notion of choice, but often early retirement is not an option for many mature-age people because of inadequate superannuation or other financial means. ACOSS argued that policies which assist workers aged 55 to 64 who want to make the transition from employment to retirement are important; however, they can also discourage labour force participation and accelerate the trend to early retirement.

...a growing community expectation that working life will end, or begin to slow, after 55 has negative implications for those workers who do not wish, or are unable, to move into retirement at such an early age. This community view can also send the wrong message to employers, who may wrongly believe that early retirement for those over 55 will be supported by the social security system.<sup>57</sup>

## The mature-age labour market

- 1.46 The mature-age labour market has undergone significant structural change over the past 20 to 30 years, partly as a result of globalisation, technological developments and microeconomic reform. This has resulted in widespread downsizing and greater use by employers of casual, part-time and contracted-out work as they strive to remain competitive in international markets. The workplace has changed and now requires employees with higher levels of skill, greater flexibility in acquiring new skills and the ability to adapt to new working arrangements.<sup>58</sup>
- 1.47 Mature-age people are diverse in their characteristics and experiences in the labour market. Participation varies considerably by age, gender and in full-time and part-time work. The situation of mature-age people in employment and unemployment also differs. While on the one hand the outlook for employment is positive, once unemployed, some mature-age
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56 DEWRSB, Submission no. 142, p. 50.

57 ACOSS, Submission no. 106, p. 5.

58 DEWRSB, Submission no. 142, p. 3.



job seekers experience considerable difficulty in finding new employment. The causes of this situation are discussed in Chapter 3.

- 1.48 International comparison shows the measured unemployment rate and the incidence of long-term unemployment of mature-age job seekers in Australia is not high compared to the average in the OECD. It is, however, higher for those aged 55 to 64. The unemployment rate of 7.2 per cent in 1997 is well above the OECD average of 5.2 per cent. This is owing to higher levels of male unemployment (8.7% compared to the OECD average of 5.5%). The unemployment rate for older women in Australia (4.2%) is lower than the OECD average of 4.7 per cent.<sup>59</sup>

## Employment

- 1.49 Mature-age workers have increased their share of total jobs in nearly all industries. They have also participated in employment growth in the service industries although not to the same extent as younger workers. Mature-age employment increased by 43 per cent over the last ten years, contributing just over 75 per cent of total employment growth. Part-time employment grew by 69 per cent, with the majority of the increase being among women. Much of the growth in mature-age employment levels is because baby boomers have taken their established jobs and careers with them as they have moved into the older age groups.<sup>60</sup>

This may be because employers value their expertise, commitment to the firm and reliability, and the fact that, apart from jobs which require heavy physical work, age is not a barrier to working effectively and productively for most people well into their late fifties and beyond.<sup>61</sup>

- 1.50 Mature-age workers tend to be in occupations requiring greater skills, education and experience. They fared significantly better than workers aged less than 45 during the recession of the early 1990s. They also had more secure tenure of jobs, being less likely to leave employment for unemployment than younger workers did.<sup>62</sup>

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59 DEWRSB, Submission no. 142, Attachment D, pp. 5-6.

60 DEWRSB, Submission no. 142, pp. 9, 40.

61 DEWRSB, Submission no. 142, p. 40.

62 DEWRSB, Submission no. 142, pp. 17, 25.

- 1.51 DFACS argued that steps should be taken to make the Australian community aware of the opportunities in the labour market for mature-age workers to encourage a longer period of workforce participation.

Provided they remain able to compete fairly for jobs and Australia's good economic growth continues their position in the labour market will continue to improve as it has done since 1985.<sup>63</sup>

- 1.52 There is, however, evidence that industry restructuring has adversely affected labour market outcomes. Long job tenure (10 years or more) has declined mainly for men, from 51 per cent in 1988 to 46 per cent in 1998. In particular, there were strong falls in tenure in the mining and the transport and storage industries.<sup>64</sup> The ABS reported that in November 1998, a higher proportion of older workers (22%) worked in industries that were experiencing declining employment, such as mining and manufacturing, compared to all workers (14%) in those industries.<sup>65</sup>

- 1.53 Mature-age people who lost their jobs during the decade to 1999 were more likely to have been laid off or retrenched than younger people who had lost their jobs, (51% mature-aged compared to 38.9% of younger people).<sup>66</sup> During the period June 1994 to June 1997, most mature-age workers who found work after being retrenched did not move from full-time to part-time work, or from permanent to casual work. However, those who changed job status were more likely to have moved from full-time work to part-time work and to have moved from permanent to casual work than younger people.<sup>67</sup> The ABS reported that 61 per cent of job seekers aged 45 to 59 found employment in less skilled occupations compared to only 45 per cent of the general population. Jobs found by job seekers in this age group were also more likely to be short term.<sup>68</sup>

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63 DFACS, Submission no. 115, p. 5.

64 DEWRSB, Submission no. 142, p. 15.

65 ABS, *Australian Social Trends 1999*, p. 114.

66 ABS, *Labour Force January 2000* Cat no. 6203.0, 25 February 2000, p. 60; DEWRSB, Submission no. 142, p. 12; L. Brooke, Submission no. 181, p. 3.

67 DEWRSB, Submission no. 142, pp. 12-13.

68 ABS, *Australian Social Trends 1999*, pp. 116-118. Derived from the ABS Longitudinal Survey of Employment and Unemployment Patterns (SEUP) undertaken from September 1994 to October 1997.

## Trends in participation

- 1.54 The Department of Employment, Workplace Relations and Small Business (DEWRSB) outlined trends in mature-age people's participation in the labour market.

More older males are opting out of the labour market, partly because structural change has made it difficult for them to retain employment or find new work after loss and partly because many have gained earlier access to income from sources other than wages and salaries. In contrast, older women have become more active in the labour market as family structures and social attitudes to female employment have changed.<sup>69</sup>

- 1.55 The biggest increase in participation has been for women aged 45 to 54, with participation rising from 46.8 per cent in November 1978 to 67.8 per cent in January 2000. Over the same period, participation for women aged 55-59 increased from 29.3 per cent to 45.8 per cent. Women aged 60 to 64 increased their participation from 12.8 per cent to 19.4 per cent.<sup>70</sup> Recessions have had very little impact on the increasing employment of women in the labour market.<sup>71</sup>

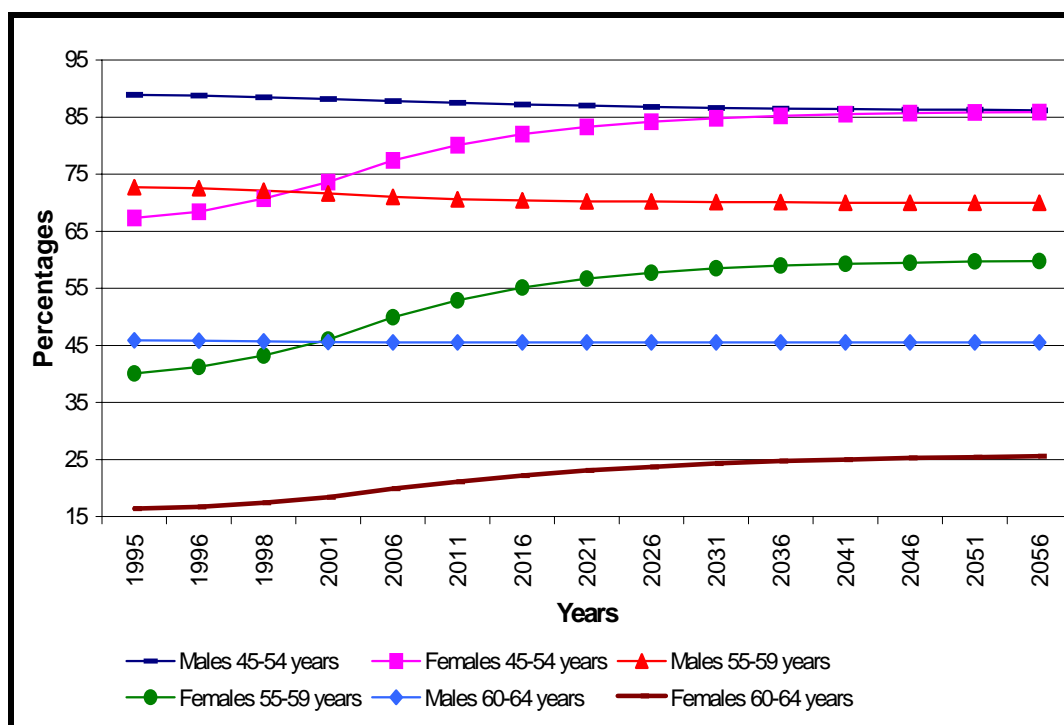
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69 DEWRSB, Submission no. 142, p. 42.

70 A. VandenHeuvel, 'Mature Age Workers: Are They a Disadvantaged Group in the Labour Market?', *Australian Bulletin of Labour*, Vol. 25, No. 1, March 1999, p. 13. Figures provided for November 1998 were updated to January 2000 from ABS, *Labour Force* Cat. no. 6203.0, February 2000.

71 DFACS, Submission no. 115, p. 29.

Figure 1.3 Projections of labour force participation by gender, 1995-2056



Source RIMGROUP projections (1998) in DFACS Submission No. 115, p. 35.

1.56 The increase in participation rates has resulted in part from the number of women returning to the workforce after raising a family. Women in this category are not likely to have current qualifications and experience or extensive employment networks.<sup>72</sup> Growth in women's participation should continue as the age of eligibility for the age pension for women increases from 61 at present to 65 in 2013.<sup>73</sup> Projections of labour force participation up to 2051 (Figure 1.3) show strong increases in participation by women up to 2026, with a slower increase thereafter. Rates for women aged 45 to 54 will match those of their male counterparts by 2051.<sup>74</sup>

1.57 Men are likely to spend an increasing proportion of their lives in retirement.<sup>75</sup> Projections show that participation rates for men aged 60–64 will remain stable and fall slightly for younger mature-age men over the period to 2051.<sup>76</sup>

72 SACOSS, Submission no. 91, p. 2.

73 DFACS, Submission no. 115, p. 30.

74 DFACS, Submission no. 115, pp. 30, 35.

75 Minister for Aged Care, *A National Strategy, Mature Age Workers Issues Paper*, p. 7.

76 DFACS, Submission no. 115, pp. 30, 35.

Table 1.1 Mature-age participation rates by gender and age, January 2000

Age group	Males	Females	Persons
25-34	91.3	66.8	79.0
35-44	90.8	68.1	79.4
45-54	86.0	67.8	76.9
55-59	71.4	45.8	58.8
60-64	45.2	19.4	32.3
65 and over	9.4	3.0	5.8
Total	72.3	53.2	62.6

Source: ABS, *Labour Force* (Cat. no. 6203.0), February 2000, p. 22.

- 1.58 Male participation rates fall sharply for men from around 55, while rates for those aged 45-54 are similar to those of men aged 35-44 (Table 1.1). However, participation patterns for men differ between full and part-time work. The male part-time participation rate is higher for most mature-age groups than it is for males aged 35-44. It has been increasing over the past two decades for all mature-age groups except those aged 65 and over.<sup>77</sup>
- 1.59 In contrast to women, overall participation rates for men declined substantially for all but the oldest age group between 1978 and 1988, then fell slightly between 1988 and 1998. The largest decrease was for men aged 60 to 64 years.

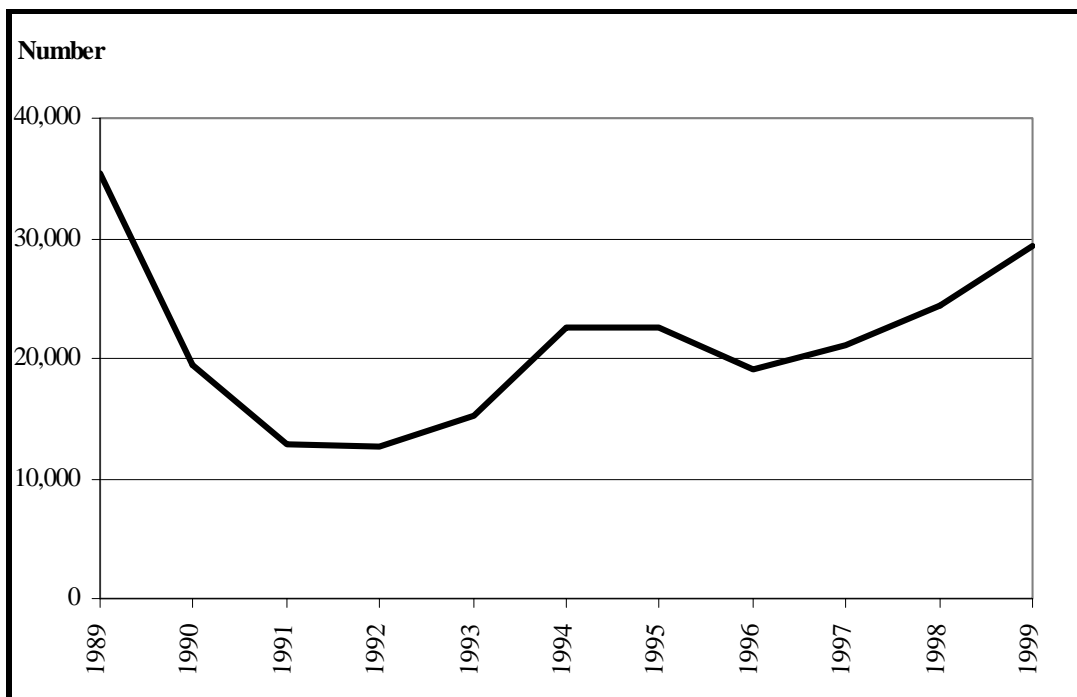
## Availability of jobs

- 1.60 The availability of jobs is of prime importance in how quickly job seekers may be able to find employment. The perception of the availability of jobs is also an important influence on the participation rate, which in turn may affect the unemployment rate. It is very difficult, however, to estimate with much accuracy how many vacant jobs exist in the labour market at any given time. The number of advertised job vacancies, while always less than the true number of available jobs, is still a useful proxy for measuring changes in job availability.<sup>78</sup>

<sup>77</sup> DEWRB, Submission no. 142, Attachment B, pp. 2-3.

<sup>78</sup> The Committee did not receive evidence concerning the extent to which the number of advertised job vacancies understates the true number of available jobs.

Figure 1.4 ANZ job advertisement series—at each August 1998–1999



Source: ANZ Banking Group, *Job Advertisement Seasonally Adjusted* series, January 2000.

1.61 The ANZ Banking Group's *Job Advertisement Series* is a frequently quoted measure of employment availability. Figure 1.4 shows the trend in job availability in the last decade according to the ANZ Banking Group's series. There has been a steady increase in the number of advertised job vacancies over recent years. Treasury's expectation is that job growth will remain at 2 per cent in the next financial year.<sup>79</sup>

1.62 A number of witnesses told the Committee they believed most jobs are not advertised but are filled by people becoming aware of their availability by word-of-mouth.<sup>80</sup> The Committee was told that in Sydney, some restaurants and hotels were offering staff a bonus of \$500 if they could introduce a suitable job seeker who stayed for at least three months.<sup>81</sup> Professor Edgar Carson made the point that 'the decisions that employers [make] on whom they employ, [are] often about who they [are] able to find through the contacts of people working in their firms.'<sup>82</sup>

79 Treasury, Press Release no. 080, 25 November 1999.

80 McCabe, Transcript, p. 163; E. Carson, Transcript, p. 368; D. Baker, Transcript, p. 1002.

81 R. Denniss, Transcript, p. 947.

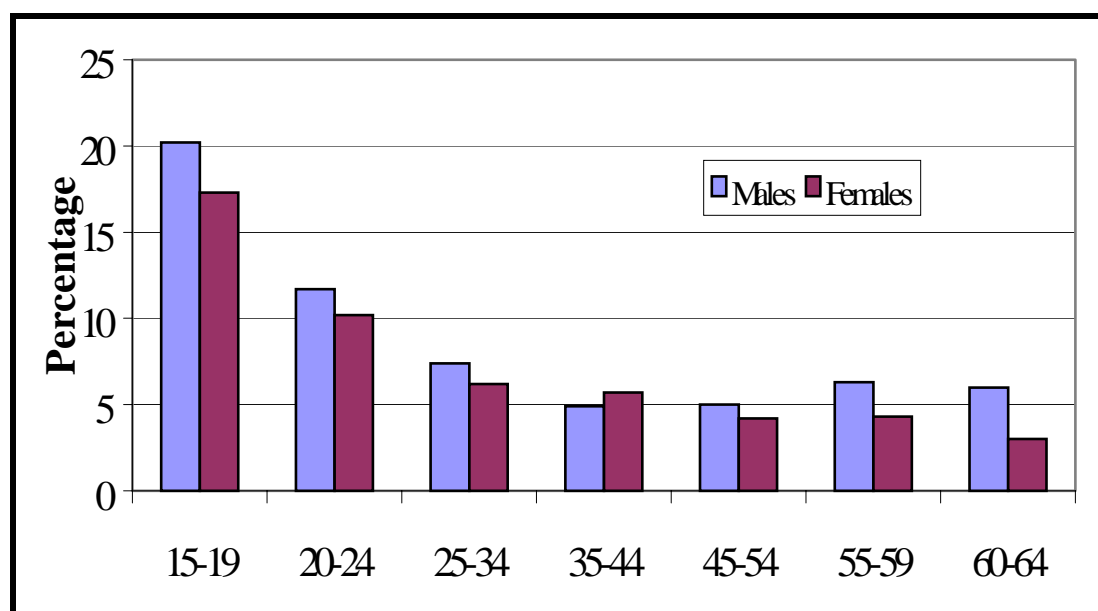
82 Carson, Transcript, p. 368.

- 1.63 The steady, although slow, increase in the number of jobs being advertised offers some encouragement for job seekers. Clearly, however, the number of advertised jobs is just a part of the total picture of jobs available in the market. It is vital that job seekers use whatever networks are open to them. It would also be of considerable assistance to job seekers if employers made greater use of the Job Network to spread information about vacancies.

## Unemployment

- 1.64 Recorded unemployment rates for mature-age job seekers are generally lower than for younger people (Figure 1.5). The rate, however, increases for mature-age men as age rises. Unemployment for both mature-age men and women has increased over the last 20 years, with most of the increase occurring at the time of the 1982-83 and 1990-91 recessions.<sup>83</sup> Unemployment growth was greatest among the 45-54 age group. The growth in mature-age job seekers is mainly due to the substantial increase in the mature-age labour force (Table 1.2).<sup>84</sup>

Figure 1.5 Unemployment rate by age, January 2000



Source ABS, *Labour Force* (Cat No. 6203.0), February 2000, p. 29.

- 1.65 Evidence to the Committee strongly suggested that concentrating on the recorded unemployment rates for mature-age people

<sup>83</sup> DFACS, Submission no. 115, p. 8.

<sup>84</sup> DEWRSB, Submission no. 142, p. 19

overlooks much of their difficulties in the labour market, because of the number of mature-age males who leave the labour market for various reasons. Even within employment, the general downgrading of those who have moved from full-time to part-time and casual work, to lesser-paid work and less skilled work disguises a deterioration in employment participation.

- 1.66 Dr Adriana VandenHeuvel cited three reasons why mature-age workers are particularly disadvantaged: (a) their level of long-term unemployment; (b) the proportion who are discouraged job seekers; and (c) their increasing levels of under-employment.<sup>85</sup>

Table 1.2 Unemployment statistics, February 1989 and February 1999

	Persons 45 years and over			Persons less than 45 years		
	Feb-89 ('000)	Feb-99 ('000)	Change (%)	Feb-89 ('000)	Feb-99 ('000)	Change (%)
<i>Unemployed</i>						
Males	66.3	102.8	55.1	259.5	341.2	31.5
Females	29.6	59.6	101.4	242.4	277.2	14.4
Persons	95.9	162.4	69.3	501.8	618.4	23.2
Unemployment rate (%)	4.8	5.7	0.9 pts	8.1	9.4	1.3 pts
Long-term unemployed ('000s)	44.1	86.6	96.4%	107.2	166.9	55.7%
Long-term incidence (%)	46.0	53.0	7.0 pts	21.4	27.0	5.6 pts

Source: ABS, *Labour Force* (Cat. no. 6203.0) unpublished data in DEWRSB, Submission no. 142, p. 19.

## Duration of unemployment

- 1.67 Average duration of unemployment rises quickly with age. Moreover, as Table 1.2 shows, the percentage of mature-age people classified as 'long-term unemployed' increased more than the percentage of younger people in that category, between 1989 to 1999. The incidence of long-term unemployment<sup>86</sup> was 53 per cent in February 1999 for mature-age job seekers compared to 27 per cent for younger job seekers.<sup>87</sup>

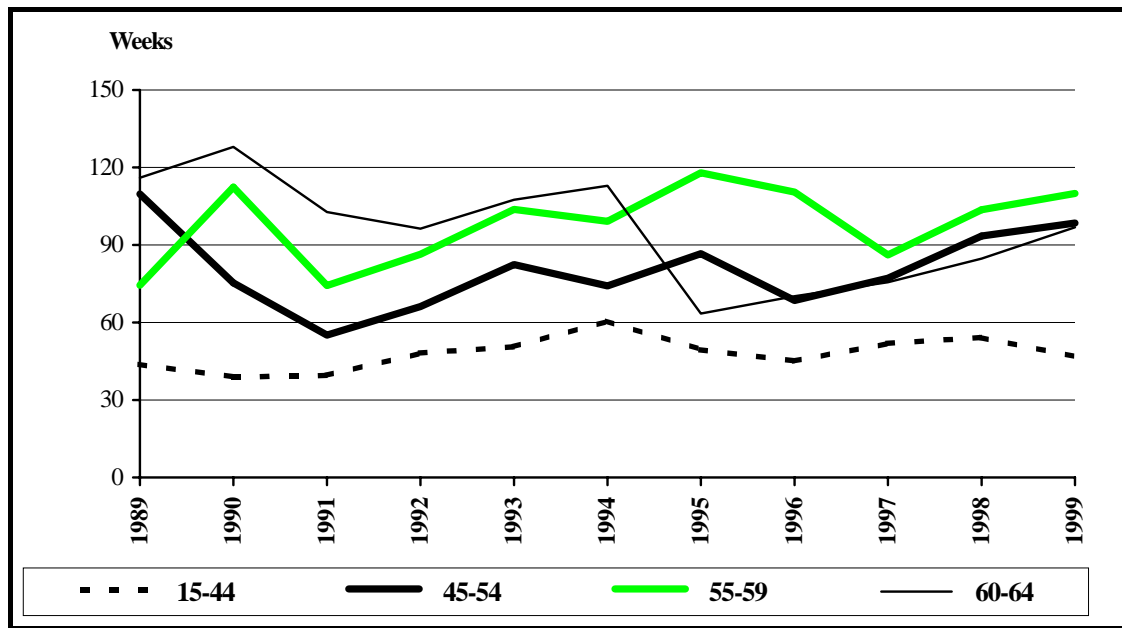
85 A. VandenHeuvel, 'Mature Age Workers: Are They a Disadvantaged Group in the Labour Market?', *Australian Bulletin of Labour*, Vol. 25, No. 1, March 1999, pp. 16-17, 19-22.

86 The share of the number of unemployed for a given age who are unemployed for 12 months or more.

87 DEWRSB, Submission no. 142, p. 20.

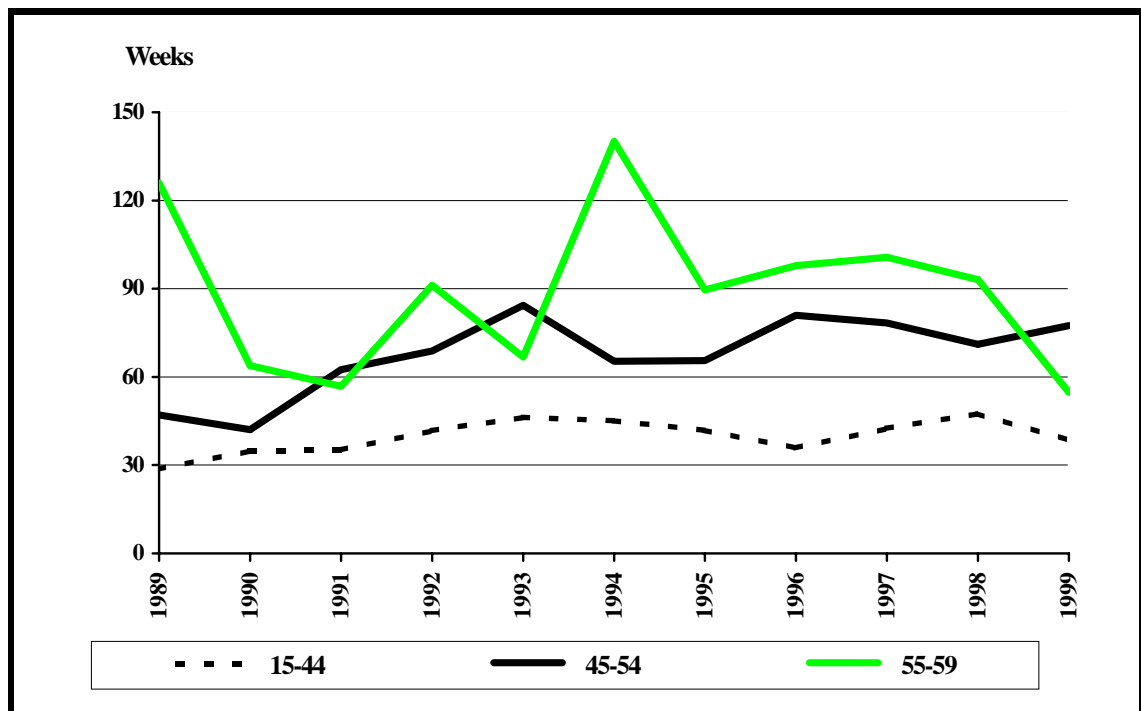


Figure 1.6 Average duration of unemployment, males 1989 – 1999



Source ABS, *Labour Force* microfiche data, several years, supplied by the Parliamentary Library.

Figure 1.7 Average duration of unemployment, females 1989 – 1999



Source ABS, *Labour Force* microfiche data, several years, supplied by the Parliamentary Library.

- 1.68 Figure 1.6 shows that the average duration of unemployment for mature-age males in 1999 was about 100 weeks. It increased for all mature-age groups between 1998 and 1999 but declined for younger job seekers. The average duration for females was lower than for men and declined sharply for women aged 55 to 59 between 1998 and 1999, to below the level for women aged 45 to 54 (Figure 1.7). Nearly 37 per cent of unemployed people aged 45 to 64 had been unemployed for two years or more.<sup>88</sup> The longer people are unemployed, the greater difficulty they have in finding work. In an attempt to break this vicious circle, the Commonwealth Government in the 2000–2001 Budget, provided \$1.4m to trial a number of strategies to help those who have been on Newstart Allowance for 5 years or more.<sup>89</sup>

### Discouraged workers

- 1.69 Discouraged workers are those people who would like to work but have given up looking because they believe they will not find it. Mature-age people comprise a high share of discouraged workers (63% in September 1998).<sup>90</sup> This is one reason why their recorded unemployment rate is lower than that of younger people (Figure 1.5). Most discouraged mature-age job seekers (62% in September 1998) are women.<sup>91</sup> The ratio of discouraged workers to the unemployed for mature-age people is significantly higher than for younger people. There is one discouraged mature-age worker to just over two unemployed mature-age persons compared to one younger discouraged worker to every 15 unemployed young people.<sup>92</sup>

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88 ABS, *Labour Force Estimates December 1999*, unpublished data December 1999, p. B18.

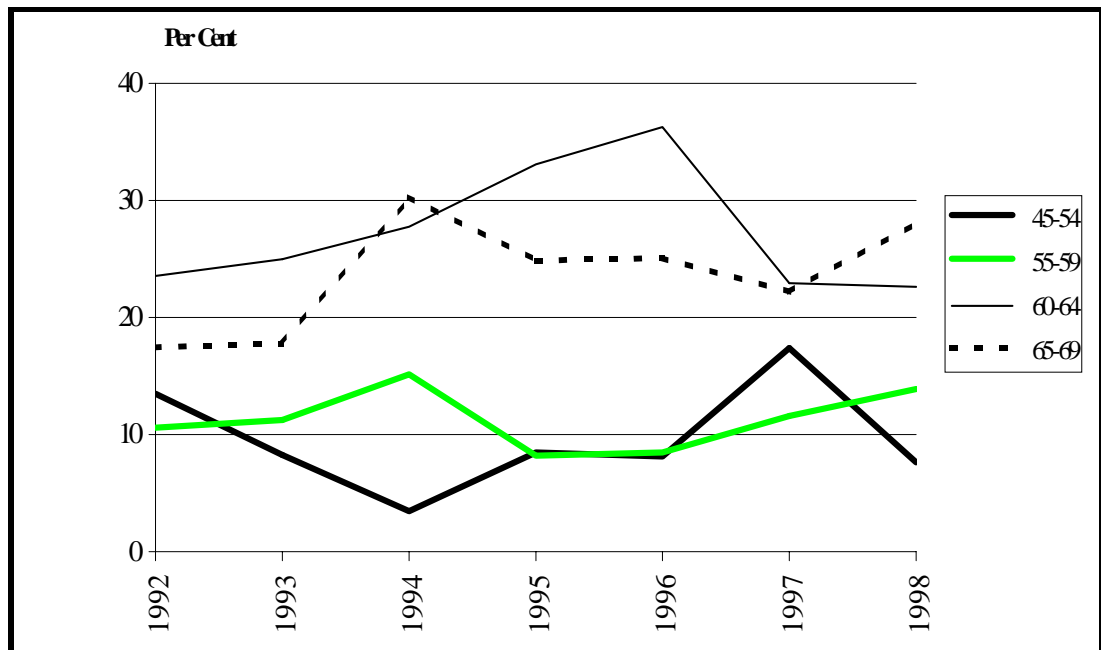
89 <http://www.facs.gov.au/Internet/FaCSInternet.nsf/aboutfacs/budget/budget2000-wnwd.htm>, 10 May 2000, pp. 2–4

90 Latest data available.

91 Provided by the Parliamentary Library from ABS, *Persons Not in the Labour Force* Cat. No. 6220.0, various issues.

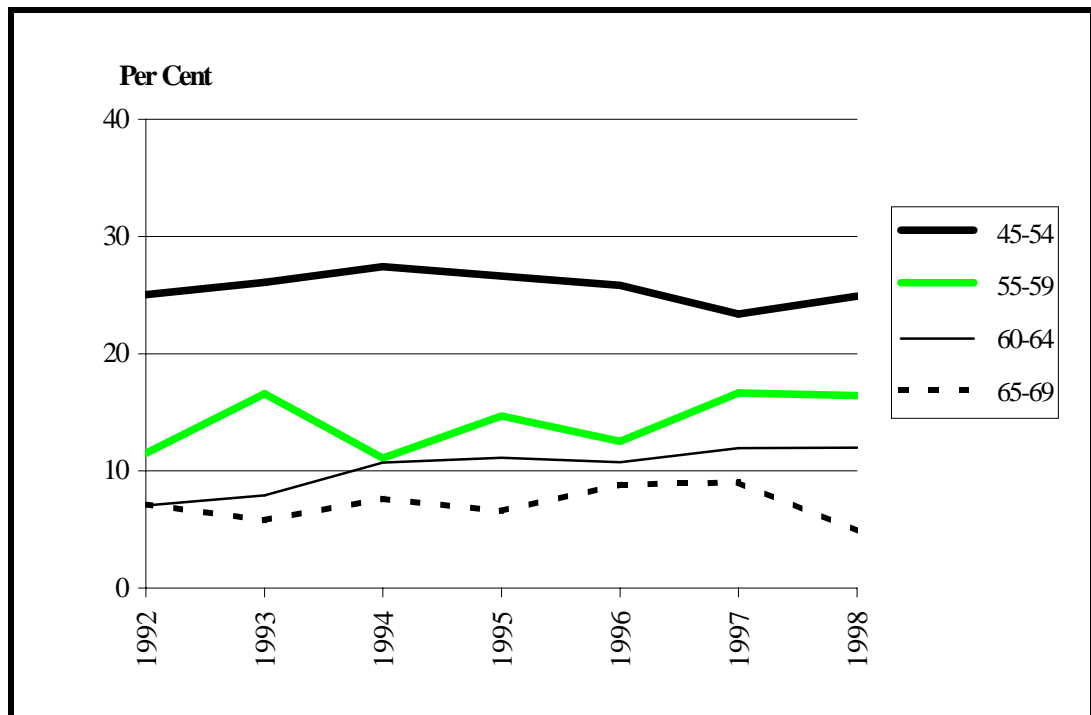
92 DEWRSB, Submission no. 142, p. 21.

Figure 1.8 Discouraged male workers by age group as a percentage of total



Source ABS, *Persons Not in the Labour Force* (Cat. No. 6220.0), various issues, supplied by the Parliamentary Library.

Figure 1.9 Discouraged female workers, by age group as a percentage of total



Source ABS *Persons Not in the Labour Force* (Cat. No. 6220.0), various issues, supplied by the Parliamentary Library.

- 1.70 Figure 1.9 shows a consistent pattern among mature-age women of a greater proportion of discouraged workers in the younger age groups—for example, women aged 45 to 54 are a lot more likely to be discouraged workers than women aged 55 to 59. Figure 1.8 reveals a different and more complicated pattern among men, with a higher proportion of men aged 60 to 69 being discouraged workers than those aged 45 to 59. The proportion of men aged 45 to 54 who were discouraged workers declined sharply between 1997 and 1998, while the trend has been in the reverse direction for men aged 55 to 59 since 1996.

### Under-employment

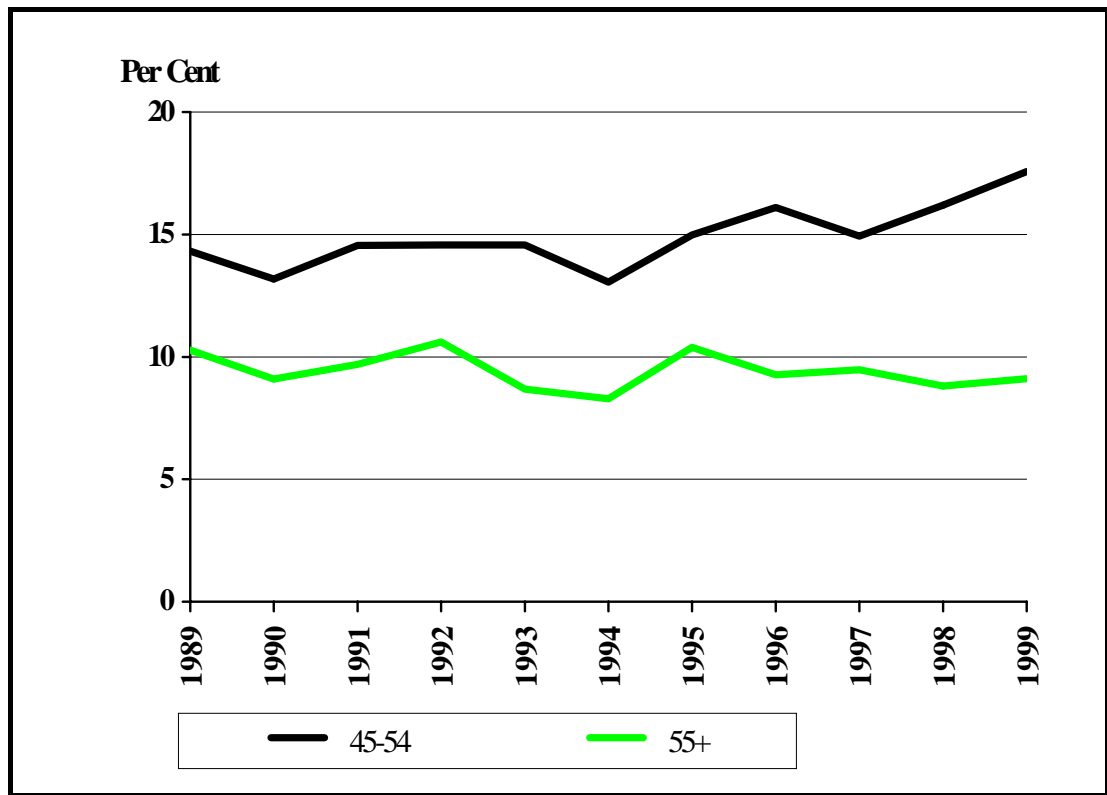
- 1.71 Under-employed people are workers who would prefer to work more hours.<sup>93</sup> An important question in terms of disadvantage is whether the incidence of part-time work among mature-age workers is through choice, or whether it represents under-employment.
- 1.72 In January 2000, 40 per cent of men aged 45 to 55 working part-time wanted to work more hours, compared to 20 per cent of part-time women workers in the same age group. Around 12 per cent of both men and women part-time workers aged 55 and over wanted more hours of work. Seventeen per cent of mature-age women and 25 per cent of mature-age men working part-time wanted to work more hours.<sup>94</sup>

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93 Because they were stood down, were on short time or had insufficient work.

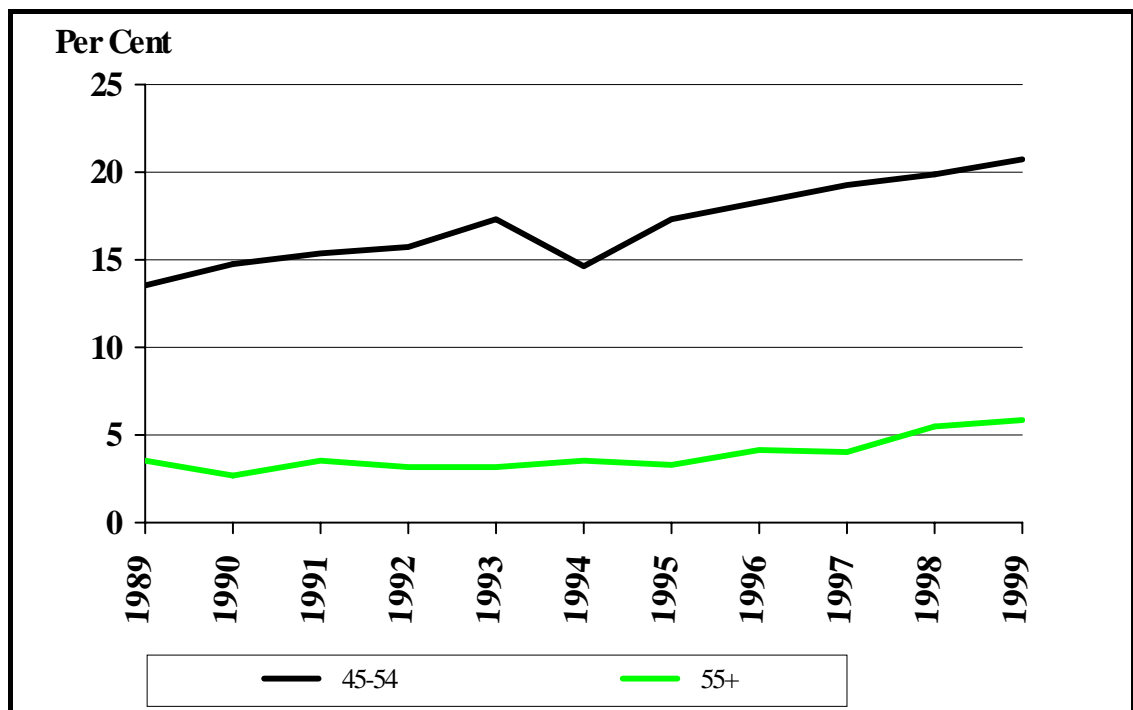
94 Calculated from Table 20, ABS *Labour Force* Cat. no. 6203.0, p. 27.

Figure 1.10 Under-employed males, age cohort as percentage of total



Source ABS Labour Force survey data on microfiche, supplied by the Parliamentary Library.

Figure 1.11 Under-employed females, age cohort as percentage of total



Source ABS Labour Force on microfiche, supplied by the Parliamentary Library.

- 1.73 Figures 1.10 and 1.11 show mature-age people as a proportion of the total population of under-employed workers. The share of under-employment has been increasing steadily for mature-age women over time, and more recently for men aged 45 to 54.

### Diversity among mature-age job seekers

- 1.74 Mature-age unemployed people are not an homogenous group and have a diverse range of characteristics that influence their opportunities in the labour market. Previous sections have outlined differences between gender and age groups in their patterns in the labour force. DEWRSB provided an explanation of the circumstances facing mature-age job seekers.

On average, mature age job seekers are less well educated than younger job seekers, have poorer literacy and numeracy skills, and are more likely to suffer some form of physical disability. In addition, half of all mature male job seekers previously had a job in industries such as manufacturing, construction, the public utilities, mining, and transport and storage.<sup>95</sup>

Table 1.3 Mature-age unemployed by education attainment—May 1998

	Persons		
	Number (% of all persons)	Incidence of long-term unemployment (%)	Average duration of unemployment (weeks)
<b>Educational attainment (May 1998)</b>			
Did not complete highest secondary	49.6	49.6	89.3
Completed highest secondary	14.3	43.6	70.1
Vocational qualification	20.9	47.3	90.9
Diploma, degree or higher	15.2	33.2	58.7
	<b>100 %</b>		

Sources ABS, *Transition from Education to Work*, 6227.0, May 1998, unpublished data in DEWRSB Submission no. 142, pp. 22–23.

- 1.75 Generally, in May 1999, more mature-age persons with recognised post-secondary qualifications are in employment (53.1%) than those without such qualifications (46.9%).<sup>96</sup> As can be seen from

<sup>95</sup> DEWRSB, Submission no. 142, p. 40.

<sup>96</sup> ABS, *Transition from Education to Work May 1999* Cat. no. 6227.0, 10 December 1999, p. 17.

Table 1.3, around half of mature-age job seekers have not completed the highest level of secondary school and they have a high average duration of unemployment. DEWRSB considered that the high incidence of long-term unemployment among those with vocational qualifications may 'reflect a high proportion of older tradespeople who do not wish, or are unable, to change occupation.'<sup>97</sup> In addition, many mature-age workers have, at best, only basic computer skills. Poor literacy can also have a compounding effect on disadvantage.

Not only do literacy and numeracy issues present a major barrier to employment, they also impede 45-year-old job seekers accessing training programs. Inability to join training courses places those without literacy and numeracy skills in a situation of double disadvantage.<sup>98</sup>

- 1.76 Surprisingly, duration and incidence of unemployment is high for those with vocational qualifications. The ABS reported in their 1994–1997 longitudinal survey of employment and unemployment patterns that since 1990 few older job seekers (7%) had obtained their highest qualification. Among mature-age job seekers, however, those with more recent qualifications did not appear to fare much better than those with older qualifications.<sup>99</sup> This may reflect an absence of relevant work experience, despite recent qualifications, or it may point to age discrimination regardless of qualifications.<sup>100</sup>
- 1.77 Mission Australia identified other sub-groups of people who have particular difficulty and needs in the labour market. While not necessarily a comprehensive list they include:
- Women returning to the workforce after caring for children;
  - Women who have been dependent on their spouse (wives of unemployed men also tend to be unemployed);
  - People who speak English as a second language and have not achieved fluency and/or literacy in English;
  - People undertaking labouring or other physical work in the past, now not able to undertake the same kind of employment;

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97 DEWRSB, Submission no. 142, p. 22.

98 Mission Australia, Submission no. 110, Section 2, p. 15.

99 ABS Longitudinal Survey of Employment and Unemployment Patterns (SEUP), undertaken from September 1994 to October 1997, in *Australian Social Trends*, (Cat no. 4102), p. 116.

100 See Chapter 3 for a more detailed discussion.

- Those who have worked in one job for many years who are not familiar with job search techniques; and
- People employed in process or routine work that is no longer required.<sup>101</sup>

1.78 DEWRSB advised that it is not possible to attribute all of the difference between mature-age and younger job seekers to differences in skills. This is particularly so when those with good qualifications also find it more difficult than younger equally qualified job seekers to get another job. Other age-related factors therefore affect unemployment. These include mismatch in skills between mature-age job seekers and the needs of the labour market, their lack of mobility and age discrimination.<sup>102</sup>

### Indigenous people

- 1.79 Nearly 30 per cent of Indigenous Australians live in rural areas where labour markets are poor (compared to 13% of other Australians).<sup>103</sup> In June 1996,<sup>104</sup> there were 14 000 employed mature-age Indigenous Australians, (17% of total Indigenous Australians and 0.6% of total employed Australian mature-age people). Indigenous Australians had a younger age profile than other Australians. Mature-age Indigenous Australians comprised only 13 per cent of the total number of Indigenous Australians (46 000) and 1.4 per cent of total mature-age unemployment.<sup>105</sup>
- 1.80 In June 1996, the participation rate of mature-age Indigenous Australians was lower (36%) than for younger Indigenous Australians (54%). The unemployment rate of mature-age Indigenous Australians is more than double that of mature-age non-Indigenous Australians.<sup>106</sup> At 15 per cent, the rate is lower than that for younger Indigenous Australians (24%), a reflection of the general employment picture of mature-age unemployment being lower than that of young people. The pool of young unemployed people includes early school leavers, many of whom

101 Mission Australia, Submission no. 110, Section 2, p. 14; Section 3, p. 3.

102 DEWRSB, Submission no. 142, p. 31.

103 DEWRSB, Submission no. 142, p. 4; Albany Employment Development Committee, Submission no. 95, p. 8.

104 1996 Census data is the latest available data. ABS Labour Force Surveys do not collect data for the indigenous population due to its small size in the population (just over 2 per cent).

105 DEWRSB, Submission no. 142, pp. 4, 13, 19.

106 DEWRSB, Submission no. 142, pp. 6, 19.



are unskilled and inexperienced. These are less likely to find work.<sup>107</sup>

- 1.81 Those counted as unemployed do not include Indigenous Australians who participate in the Community Development Education Projects (CDEP) run by the Aboriginal and Torres Strait Islander Commission (ATSIC). In May 1996, the Federal Government announced the Indigenous Employment Scheme catering to improving employment for Indigenous Australians of all ages. The Scheme includes a range of initiatives such as employer wage subsidies, incentives for CDEP structured training and employment projects, Indigenous voluntary service assistance and a National Indigenous Cadetship Program.<sup>108</sup>
- 1.82 The 2000–2001 Federal Budget highlighted specific labour market programs to help Indigenous Australians, some of whom live in rural and remote areas where jobs are scarce. These programs include: the Indigenous Employment—Wage Assistance Program; the Structured Training and Employment Projects (STEP) program; private sector indigenous employment opportunities; CDEP Placement Incentives; Corporate Leaders for Indigenous Employment Project; Structured Training Voluntary Service Assistance; National Indigenous Cadetship Project; Indigenous Small Business Fund; and Job Network for Indigenous Australians.

### **People from non-English speaking backgrounds**

- 1.83 Since World War II, Australia has accepted immigrants under various broad categories: skilled, sponsored, business venture, family reunion and humanitarian. The largest groups came from English-speaking countries such as the United Kingdom, Ireland, New Zealand, South Africa, the United States and Canada. Those who came immediately after the War were able to find unskilled work during the post-war industrial boom. Others went to work for relatives and friends in small businesses.
- 1.84 Most immigrants to Australia came as adults. Their children, by and large, became better educated and more highly skilled than their parents. Those who came from non-English speaking countries were able to find work, despite their lack of English

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107 DEWRSB correspondence dated 16 May 2000.

108 [www.indigenousjobs.dewrsb.gov.au](http://www.indigenousjobs.dewrsb.gov.au), February 2000.

proficiency, in the steelworks, the mines, the car industry and the Snowy River Scheme. Many immigrant women became outworkers for the textile, clothing and footwear industries.

1.85 The employment situation did not deteriorate significantly until 1978, when many from non-English speaking backgrounds, especially males who had been in unskilled and blue-collar occupations, became long-term unemployed. In 1981, 7 per cent of adult workers from non-English speaking backgrounds without any qualifications were unemployed, when the general unemployment rate was 6 per cent. By 1991, the rate had climbed to 19 per cent for those from non-English speaking backgrounds while the general unemployment rate was 9.5 per cent. More telling is the 1991 unemployment rate for people from non-English speaking backgrounds with qualifications. This was 12 per cent at a time when the general unemployment rate for those with qualifications was 6 per cent.<sup>109</sup>

1.86 Mature-age people from non-English speaking backgrounds with no qualifications had an unemployment rate of 6 per cent in 1981 (English-speaking mature-age rate was 4%), rising to 16 per cent in 1991 (English-speaking mature-age rate was 9%).<sup>110</sup> For those with qualifications, the unemployment rate was 4 per cent in 1981 (English-speaking mature-age rate was 3%), rising to 11 per cent in 1991 (English-speaking mature-age rate was 6%).<sup>111</sup>

This impact was felt by the educated and the less educated alike, reinforcing the argument...that post-school qualifications do not protect the NESB population in the same fashion as they do their Australian-born peers.<sup>112</sup>

1.87 Changes in manufacturing and mining technology have resulted in a reduction in the number of unskilled and low skilled jobs. This, along with downsizing and outsourcing, has made it more difficult for unskilled people in general to secure paid work. By 1991, for job seekers from non-English speaking backgrounds the 'lack of English proficiency became a greater liability in the labour

109 T. O'Loughlin & L. Watson, *Loyalty is a One Way Street, NESB Immigrants and Long-Term Unemployment*, ACIRRT, University of Sydney, 1997, p. 84.

110 O'Loughlin & Watson, *Loyalty is a One Way Street*, p. 84.

111 O'Loughlin & Watson, *Loyalty is a One Way Street*, p. 84.

112 O'Loughlin & Watson, *Loyalty is a One Way Street*, p. 86.

market than ever before.<sup>113</sup> The general unemployment rate doubled from 6 per cent in 1981 to almost 12 per cent in 1991. In contrast, the rate for mature-age job seekers from non-English speaking backgrounds tripled (from 5% to 15%).<sup>114</sup>

- 1.88 A study by Ms O'Loughlin and Mr Watson noted that up until the 1980s, of men without qualifications, those from non-English speaking backgrounds had a higher participation rate than those from English-speaking backgrounds.<sup>115</sup> This is not surprising since immigrants to a new country usually seek to establish themselves as quickly as possible. However, by the early 1990s, as Australia entered another recession, 'unqualified mature age men had participation rates amongst the lowest in the population.'<sup>116</sup> The participation rate for females without qualifications was similarly low (18%). On the other hand, the participation rate of older women with post-secondary school qualifications rose from 37 per cent (1981) to 44 per cent (1991).<sup>117</sup>

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113 O'Loughlin & Watson, *Loyalty is a One Way Street*, p. 88.

114 O'Loughlin & Watson, *Loyalty is a One Way Street*, p. 84.

115 O'Loughlin & Watson, *Loyalty is a One Way Street*, p. 86.

116 O'Loughlin & Watson, *Loyalty is a One Way Street*, p. 86.

117 O'Loughlin & Watson, *Loyalty is a One Way Street*, p. 86.

Table 1.4 Unemployment rate 1996: birthplace by marital status and period of arrival

Born in	Males		Females		Persons	
	<i>Married</i>	<i>Not Married</i>	<i>Married</i>	<i>Not Married</i>	<i>Married</i>	<i>Not Married</i>
<b>Australia</b>	3.6	11.7	3.5	9.9	3.5	10.9
<b>Main English speaking countries</b>	3.9	12.7	4.2	11.1	4.1	12.0
Arrived before 1976	4.1	16.0	3.8	13.4	3.9	14.8
Arrived 1976–1980	2.6	7.7	3.0	5.7	2.7	6.9
Arrived 1981–1985	6.3	17.2	4.4	7.9	5.4	13.2
Arrived 1986–1990	2.6	14.3	4.9	10.6	3.5	12.4
Arrived 1991–1995	0.9	7.4	3.1	20.9	1.9	13.8
Arrived 1996 to census date	5.5	5.5	8.6	5.7	6.6	5.6
<b>Non-English speaking countries</b>	5.9	17.1	6.7	11.7	6.2	14.7
Arrived before 1976	4.3	10.5	3.7	9.3	4.2	9.9
Arrived 1976–1980	7.2	9.4	9.5	5.7	8.1	7.6
Arrived 1981–1985	5.9	20.3	2.4	13.0	4.4	17.0
Arrived 1986–1990	5.2	12.5	5.4	12.7	5.3	12.6
Arrived 1991–1995	8.7	28.0	9.0	17.4	8.7	23.5
Arrived 1996 to census date	13.1	30.4	24.8	17.0	18.3	26.4
<b>TOTAL</b>	<b>4.0</b>	<b>12.4</b>	<b>4.1</b>	<b>10.2</b>	<b>4.1</b>	<b>11.4</b>

Source ABS, *Labour Force Estimates*, August 1999, p. K3.

1.89 As Table 1.4 shows, in 1996 men (married 4.3% and not married 10.5%) and women (married 3.7% and not married 9.3%) from non-English speaking backgrounds immigrating before 1976, had a lower unemployment rate than similar groups who were more recent arrivals. The ones experiencing the highest unemployment were unmarrieds who came during the period of recession in the early 1980s and early 1990s and those arriving in 1996, just prior to the census. The same unemployment pattern is not manifested by immigrants from main English speaking countries.

Table 1.5 Mature-age unemployed by country of birth, February 1999

	All persons %	Incidence of long- term unemployment (%)	Average duration of unemployment (weeks)
Australia & main English speaking countries	71.9	47.3	84.0
Other	28.1	47.5	78.2
	<b>100%</b>		

Source ABS, *Labour Force Australia*, 6203.0 unpublished data in DEWRSB, Submission No 142, p. 24.

- 1.90 In February 1999, over a quarter (28.1%) of the mature-age unemployed were from non-English speaking countries. (Table 1.5). The mature-age section of the immigrant population is proportionally larger than in the Australian-born population as many immigrants arrive as adults and because many post-war immigrants have now reached retirement age. For example, in 1989, 40 per cent of Australian-born people were aged over 34 years of age compared to 64 per cent of those who were born overseas.<sup>118</sup>
- 1.91 Given the increased dependency ratios which are projected for the next 30 years, it is important to note that immigration generates a higher proportion of working-age people. This additional gain helps to retard the ageing of the population. Alvarado and Creedy argue that 'with a net intake of 150 000 migrants the proportion of elderly would reach 22.1 per cent by the year 2160, whereas that proportion is reached at the earlier year of 2031 when the intake is reduced to 50 000 net migrants per year.'<sup>119</sup>
- 1.92 O'Loughlin and Watson have argued that mature-age people from non-English speaking backgrounds are clustered in occupations such as labouring and plant and machine operating that have borne the greatest burden of labour-shedding, public sector restructuring and regional decline. They have linked this to the behaviour of employers in using retrenchments to shed labour and the disproportionate burden this puts on the blue-collar workforce, especially workers in manufacturing and similar

118 J. Alvarado & J. Creedy, 'Migration and Population Ageing in Australia', J. Creedy (ed), *Labour Mobility, Earnings and Unemployment*, Edward Edgar, Great Britain, 1999, p. 73.

119 Alvarado & Creedy, 'Migration and Population Ageing in Australia', *loc cit*, p. 82.

industries.<sup>120</sup> Hume City Council suggested that female mature-age migrants also tend to have poor proficiency in English because they often work in places where their own language is widely spoken, such as in clothing and textiles industries.<sup>121</sup>

- 1.93 The *National Strategy for an Ageing Australia, Employment for Mature-Age Workers* Issues Paper identified the following issues facing mature-age workers from non-English speaking backgrounds:
- Concentration in low skilled, lowly paid jobs;
  - Long duration of unemployment;
  - Occupational downgrading due to lack or partial recognition of qualifications and skills gained overseas;
  - Location in industry sectors that have undergone structural reforms resulting in job losses;
  - Lower participation in training and multi-skilling in the workplace;
  - Reduced working life and earnings and a greater exposure to health hazards, injuries and accidents in the workplace.<sup>122</sup>
- 1.94 One witness identified that other employment barriers for this group include English language difficulties, recent arrival in Australia, cultural barriers in understanding the Australian workplace, the lack of Australian work experience, and discrimination, including racism. Refugees with torture and trauma backgrounds have special needs that require specialised health and professional assistance.<sup>123</sup> Refugees and those who arrive in Australia through the Family Reunion Program are the most disadvantaged.<sup>124</sup>
- 1.95 The Indo-Chinese Employment Service reported that many migrants of non-English speaking backgrounds are unwilling to seek help outside their own community because their social expectations are that help is not sought outside the extended family or because their English language skills are insufficient for

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120 O'Loughlin & Watson, *Loyalty is a One Way Street*, pp. 61, 93.

121 Hume City Council, Submission no. 118, p. 7.

122 Minister for Aged Care, *The National Strategy, Employment for Mature Age Workers* Issues Paper, pp 27-28.

123 D. Camacho, Submission no. 33, pp. 1-3; H. Nguyen, Transcript, p. 709.

124 Camacho, Submission no. 33, p. 1; Hume City Council, Submission no. 118, p. 6.

them to go to a non-Indo-Chinese employment agency.<sup>125</sup> Many unemployed mature-age immigrants lose self-esteem and confidence since they no longer feel respected for their age and wisdom.<sup>126</sup>

- 1.96 It is particularly important for migrants to acclimatise themselves with the mores and industrial culture of the local labour market.

Industrial issues of particular challenge to middle aged migrants, especially those of refugee background, include: new developments in computer technology and continuous improvements in other industries, and new legislative developments in many occupational fields. Industrial relations issues are frequently modified and, in any case, will be different from those of their countries of origin.<sup>127</sup>

- 1.97 The Indo-Chinese Employment Service recommended that extending the Work for the Dole scheme to mature-age people would be attractive to its client group because, as well as providing confidence and updated or new work skills, it would provide migrant job seekers with Australian workplace experience that many lack.<sup>128</sup> Mr Nguyen mentioned the importance of re-instilling a work ethic among some of the former Indo-Chinese refugees, especially those who have been on benefits for over ten years. 'They have got to set a role model for their children to follow...they should realise...they cannot stay like that [on support benefits]. They have got to do something to pay back the community.'<sup>129</sup>

## Rural and regional locations<sup>130</sup>

- 1.98 Where people live appears to make a significant difference to their experience of unemployment. ABS unpublished data shows that

125 Indo-Chinese Employment Service Pty Ltd, Submission no. 64, p. 2.

126 Nguyen, Transcript, p. 709.

127 Camacho, Submission no. 33, p. 5.

128 Indo-Chinese Employment Service, Submission no. 64, p. 1; H. Nguyen, Transcript, pp. 710–711.

129 Nguyen, Transcript, p. 713.

130 The ABS defines 'rural' as all residences and settlements of less than 1000 people. There is no official definition of 'regional' although this is usually understood to mean all parts of Australia outside of capital cities. Places such as Newcastle, Wollongong and Fremantle are classed as 'major urban' while Ballarat, Bendigo and Alice Springs are 'other urban'. Parliamentary Library, 20 June 2000.

just over 40 per cent of the mature-age unemployed live outside the State capitals. These people have a higher average duration of unemployment and a higher incidence of long-term unemployment than those living in the capitals. According to DEWRSB, this may reflect 'access to a greater range and number' of jobs in metropolitan areas.<sup>131</sup> It may also reflect the fact that some unemployed people choose to leave cities and move to regional areas because the cost of living is lower or they wish to live in a less stressful region.<sup>132</sup>

**Table 1.6 Unemployment and participation rates by statistical regions<sup>(a)</sup> by gender, April 2000<sup>(b)</sup>**

Regions	Males		Females		Persons	
	Unemployment rate (%)	Participation rate (%)	Unemployment rate (%)	Participation rate (%)	Unemployment rate (%)	Participation rate (%)
<b>AUSTRALIA</b>	6.7	72.7	7.0	55.0	6.8	63.7
<b>NEW SOUTH WALES</b>	5.5	71.9	5.9	53.7	5.7	62.7
<b>Sydney Major Statistical Region</b>	4.8	73.3	4.5	55.7	4.6	64.3
Inner Sydney and Inner Western Sydney Statistical Regions	4.1	72.2	*1.9	60.6	3.1	66.4
Inner Sydney Statistical Region	4.3	73.1	*2.0	65.4	3.2	69.3
Eastern Suburbs Statistical Region	3.3	73.0	*0.6	57.3	2.1	65.4
St George-Sutherland Statistical Region	3.4	74.0	3.8	58.1	3.6	66.0
Canterbury-Bankstown Statistical Region	7.2	72.2	5.0	48.1	6.3	59.8
Fairfield-Liverpool and Outer South Western Sydney Statistical Regs.	7.0	73.3	9.8	55.6	8.2	64.3
Fairfield-Liverpool Statistical Region	7.7	71.6	9.6	51.2	8.5	61.0

131 DEWRSB, Submission no. 142, p. 23.

132 L. Maciver, Transcript, p. 986. The 1996 census shows that the Richmond-Tweed and the mid-north coast statistical region of NSW have one of the highest unemployment rates.



Regions	Males		Females		Persons	
	Unemployment rate (%)	Participation rate (%)	Unemployment rate (%)	Participation rate (%)	Unemployment rate (%)	Participation rate (%)
<b>AUSTRALIA</b>	6.7	72.7	7.0	55.0	6.8	63.7
<b>NSW (cont.)</b>						
Central Western Sydney Statistical Region	4.8	69.8	4.2	50.0	4.5	60.0
Outer Western Sydney SR and Blacktown	5.6	76.5	6.8	56.0	6.1	66.1
Lower Northern Sydney Statistical Region	*2.5	78.7	5.4	61.4	3.8	69.7
Hornsby-Ku-ring-gai SR and Baulkham Hills	*1.1	74.4	*1.8	58.8	1.5	66.1
Northern Beaches Statistical Region	*4.1	75.2	*0.5	58.9	2.5	66.7
Gosford–Wyong Statistical Region	8.8	64.1	5.4	42.8	7.4	52.9
<i>Balance of New South Wales Major Statistical Region</i>	7.0	69.4	8.6	50.3	7.7	59.7
Hunter Statistical Region	7.6	67.6	8.9	52.0	8.2	59.7
Newcastle Statistical Region Sector	7.9	68.3	8.8	53.3	8.3	60.7
Illawarra and South Eastern Statistical Regions <sup>(c)</sup>	6.9	67.3	8.3	46.9	7.5	57.1
Illawarra Statistical Region	6.8	66.0	6.9	43.4	6.8	54.8
Wollongong Statistical Region Sector	6.6	68.8	5.3	45.5	6.1	57.5
Richmond–Tweed and Mid-North Coast Statistical Regions	8.4	65.1	13.5	47.0	10.6	55.7
Northern, Far West-North Western & Central West Statistical Regions	7.2	72.6	5.1	53.2	6.3	62.9
Murray-Murrumbidgee Statistical Region	*3.2	81.1	*7.1	54.8	4.8	67.7

Regions	Males		Females		Persons	
	Unemployment rate (%)	Participation rate (%)	Unemployment rate (%)	Participation rate (%)	Unemployment rate (%)	Participation rate (%)
<b>AUSTRALIA</b>	6.7	72.7	7.0	55.0	6.8	63.7
<b>VICTORIA</b>	6.7	72.2	7.1	54.2	6.9	63.1
<b>Melbourne Major Statistical Region</b>	6.3	73.0	6.6	55.2	6.5	63.9
Outer Western Melbourne Statistical Region	9.5	71.7	7.1	57.1	8.4	64.2
North Western Melbourne Statistical Region	11.7	67.9	8.7	47.3	10.4	57.5
Inner Melbourne Statistical Region	6.9	71.0	*4.3	61.6	5.6	66.2
North Eastern Melbourne Statistical Region	7.0	76.8	8.1	54.4	7.5	65.5
Inner Eastern Melbourne Statistical Region	4.7	71.9	4.9	55.1	4.8	63.5
Southern Melbourne Statistical Region	2.8	72.0	3.5	57.0	3.1	64.1
Outer Eastern Melbourne Statistical Region	6.1	79.4	5.9	56.3	6.0	67.7
South Eastern Melbourne Statistical Region	4.8	75.2	10.5	52.5	7.3	63.3
Mornington Peninsula Statistical Region	*4.0	67.5	10.2	54.0	6.8	60.5
<i>Balance of Victoria Major Statistical Region</i>	7.8	70.1	8.3	51.5	8.0	60.7
Barwon-Western District Statistical Region	7.6	68.9	8.0	48.1	7.8	58.4
Central Highlands-Wimmera Statistical Region	*5.3	74.0	*6.8	55.6	5.9	64.7
Loddon-Mallee Statistical Region	8.4	69.2	*7.2	51.8	7.9	60.4
Goulbourn-Ovens-Murray Statistical Reg'n	7.7	72.8	7.2	53.0	7.5	62.8
All Gippsland Statistical Region	10.9	65.0	13.3	50.2	12.0	57.3

Regions	Males		Females		Persons	
	Unemployment rate (%)	Participation rate (%)	Unemployment rate (%)	Participation rate (%)	Unemployment rate (%)	Participation rate (%)
<b>AUSTRALIA</b>	6.7	72.7	7.0	55.0	6.8	63.7
<b>QUEENSLAND</b>	8.3	73.9	8.0	57.1	8.2	65.4
<b>Brisbane Major Statistical Region</b>	7.4	74.1	7.5	59.0	7.4	66.4
Brisbane City Inner Ring Statistical Regions	5.6	72.3	6.0	61.7	5.8	66.8
Brisbane City Outer Ring Statistical Regions	7.8	74.2	6.7	60.5	7.3	67.3
South and East BSD Balance Statistical Regions	7.8	77.1	9.9	59.0	8.7	67.7
North and West BSD Balance Statistical Region	8.1	73.5	8.2	54.3	8.2	63.6
<i>Balance of Queensland Major Statistical Regions</i>	9.1	73.7	8.5	55.4	8.8	64.6
South and East Moreton Statistical Region	7.0	70.0	7.7	52.8	7.3	61.2
North and West Moreton Statistical Region	10.9	69.4	13.1	53.7	11.9	61.5
Wide Bay – Burnett Statistical Region	13.4	70.1	10.3	48.6	12.1	59.2
Darling Downs-South West Statistical Region	6.6	75.6	*3.9	53.0	5.4	63.9
Mackey-Fitzroy-Central West Statistical Region	9.0	79.6	7.3	60.8	8.3	70.5
Northern-North West Statistical Region	7.0	74.2	9.7	62.4	8.1	68.6
Far North Statistical Region	10.8	79.0	*6.9	58.2	9.1	68.6
Gold Coast City Parts A and B Statistical Region Sectors	6.8	71.4	7.4	54.0	7.0	62.5
<b>SOUTH AUSTRALIA</b>	8.4	70.9	8.0	51.9	8.2	61.2
Adelaide Major Statistical Region	8.7	70.8	7.5	51.9	8.2	61.0
Northern Adelaide Statistical Region	10.1	70.4	7.8	51.3	9.1	60.6
Western Adelaide Statistical Region	10.4	68.7	8.9	48.3	9.7	58.1

Regions	Males		Females		Persons	
	Unemployment rate	Participation rate	Unemployment rate	Participation rate	Unemployment rate	Participation rate
	(%)	(%)	(%)	(%)	(%)	(%)
<b>AUSTRALIA</b>	6.7	72.7	7.0	55.0	6.8	63.7
<b>SA (cont.)</b>						
Eastern Adelaide Statistical Region	5.8	72.7	4.7	57.0	5.3	64.5
Southern Adelaide Statistical Region	8	71.2	8.5	51.3	8.4	61.0
<i>Balance of S'th Australia Major Statistical Region</i>	7.5	71.4	9.4	52.0	8.3	61.8
Northern and Western SA Statistical Region	8	69.6	11.0	46.4	11.0	58.0
Southern and Eastern SA Statistical Region	5.5	72.5	8.5	55.5	6.8	64.1
<b>WESTERN AUSTRALIA</b>	6.2	75.7	7.7	58.2	6.8	66.9
<b>Perth Major Statistical Region</b>	6.3	74.0	7.4	57.4	6.8	65.6
Central Metropolitan Statistical Region	5.9	73.7	5.2	54.7	5.6	64.4
East Metropolitan Statistical Region	5.8	72.8	6.7	54.3	6.2	63.1
North Metropolitan Statistical Region	6.0	75.4	7.9	60.5	6.9	67.8
South West Metropolitan Statistical Region	6.2	74.6	8.6	55.6	7.3	64.9
South East Metropolitan Statistical Region	7.3	72.7	6.6	58.1	7.0	65.5
<i>Balance of Western Australia Major Statistical Region</i>	6.0	80.2	8.5	60.5	7.0	70.8
Lower Western WA Statistical Region	6.8	75.8	6.9	55.3	6.8	65.5
Remainder – Balance WA Statistical Region	5.3	85.0	10.4	67.5	7.3	77.2
<b>TASMANIA</b>	9.4	67.1	8.6	51.6	9.1	59.1
Greater Hobart-Southern Statistical Region Sector	9.5	64.7	9.0	52.4	9.2	58.3
Greater Hobart Statistical Division	10.0	64.3	9.0	51.7	9.5	57.7
Northern Statistical Region Sector	7.9	67.6	7.5	50.4	7.7	58.8

Regions	Males		Females		Persons	
	Unemployment rate	Participation rate	Unemployment rate	Participation rate	Unemployment rate	Participation rate
	(%)	(%)	(%)	(%)	(%)	(%)
<b>AUSTRALIA</b>	6.7	72.7	7.0	55.0	6.8	63.7
Tas (cont.) Mersey-Lyell Statistical Region Sector	11.3	71.5	8.9	51.4	10.3	61.3
<b>NORTHERN TERRITORY</b>	4.6	73.3	5.9	63.2	5.2	68.5
<b>AUSTRALIAN CAPITAL TERRITORY AND SOUTH EASTERN STATISTICAL REGION<sup>(c)</sup></b>	6.2	75.6	6.6	62.3	6.4	68.8
<b>AUSTRALIAN CAPITAL TERRITORY</b>	5.8	78.7	4.6	66.8	5.2	72.6

(a) As part of the redesign of Labour Force Survey sample, a number of changes have been made to Labour Force Statistical Regions. These changes may result in a break in series for some regions. See Information Paper: *Regional Labour Force Statistics* (6262.0). (b) For definitions and information about scope and standard errors of these estimates, see the latest issue of the monthly publication *Labour Force, Australia* (6203.0). (c) Estimates for South Eastern statistical region are not published separately. Data for the South Eastern statistical region are included in the ACT & South Eastern statistical region in the Illawarra & South Eastern statistical region. \* subject to sampling variability.

Source ABS, *Labour Force Selected Summary Tables Australia*, April 2000, 18 May 2000, pp. 1–3.

1.99 Table 1.6 provides a ‘snapshot’ in April 2000 of unemployment rates and participation rates for males and females in metropolitan, regional and rural areas as defined by the labour force statistical regions. As is evident from Table 1.6, rural and some regional areas are more affected by unemployment than metropolitan regions. The exceptions are Adelaide and Hobart where unemployment is higher than in some regional areas.

1.100 Some examples of regional differences described to the Committee were:

...the average unemployment figures for the [NSW] Central Coast for 1999...was 7.0%, the Lower Hunter...10.7%. The Upper Hunter...also 10.7% and the Mid North Coast, Richmond and Tweed areas 13.2%.<sup>133</sup>

The Atherton Tablelands [Qld]...experiences an unemployment rate of 10.4% (ABS 1996). Whilst this may not be significant against the National Average of 9.2% ...Herberton Shire experiences an unemployment rate of 19.6% (ABS 1996) with some individual communities experiencing unemployment rates as high as 28.5%.<sup>134</sup>

- 1.101 The Albury-Wodonga ACC argued that the area has lost jobs because of decisions made elsewhere. These have resulted in losses in investment and downgrading of services in smaller rural centres. Plant closure and people leaving the district result in a loss of skills, income and further job losses. There is also an accelerating trend of people moving to larger population centres or capital cities in search of jobs and education.<sup>135</sup>
- 1.102 A further issue raised was the lack of public transport in rural centres to enable job seekers to look for work and to attend training to improve their skills.<sup>136</sup> 'The loss of a driver's licence or the inability to purchase or maintain a motor vehicle can severely limit employment prospects'.<sup>137</sup>
- 1.103 The ability to move from areas of high unemployment to areas of low unemployment is generally lower for mature-age job seekers. Many have family ties, have purchased houses in the area and are reluctant to seek out employment opportunities that are increasingly precarious and of a short-term nature.<sup>138</sup> This can leave people searching for work where jobs are limited.

The unemployment rate in Tasmania continues to be unacceptably high, and we are losing many of our best and brightest younger people to the mainland.... It is the State that continues to have the highest proportion of welfare beneficiaries, and the continued difficulties of older workers to obtain suitable and financially

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134 Quality Industry Training and Employment, Submission no. 49, p. 3.

135 Albury-Wodonga ACC, Submission no. 114, pp. *ii*, 9, 14, 18-20.

136 Albany Employment Development Committee, Submission no. 95, p. 9; Quality Industry Training and Employment, Submission no. 49, p. 4.

137 Albany Employment Development Committee, Submission no. 95, p. 9.

138 Albany Employment Development Committee, Submission no. 95, p. 8; Albury-Wodonga ACC, Submission no. 114, pp. 19-20; DFaCS, Submission no. 115, Attachment A, p. 24; DEWRSB, Submission no. 142, p. 34; R. Denniss & M Watts, Submission no. 172, p. 11.

rewarding work will only ensure that Tasmania continues to be highly welfare dependent.<sup>139</sup>

1.104 Mission Australia highlighted the dearth of research on the regional nature of mature-age unemployment.

In areas where traditional occupations have been middle and upper management, for example, numbers are likely to be high, given the downsizing and restructuring trend in this sector of the economy in recent years. Likewise for areas where manufacturing has been the employment 'staple', mature-age unemployment will be high...variation in numbers of unemployed mature workers from one region to another and from one category of Job Network to another, [indicate] the influence of local factors, not only on numbers of clients, but on the degree of assistance required by clients...<sup>140</sup>

## Conclusion

1.105 This chapter has referred to some major features of Australia's labour market—the trend towards early retirement, the ageing population profile, and the importance of ensuring mature-age workers continue in employment.

1.106 While recorded unemployment rates for mature-age job seekers are generally lower than for younger people, mature-age workers once unemployed tend to remain so for much longer than younger people. Long-term unemployment is greatest among the 45 to 54 age group. Mature-age people form a disproportionately high share of discouraged job seekers. There are particularly difficult problems for Indigenous Australians, those from non-English speaking backgrounds and those in certain non-metropolitan areas.

1.107 The increase in part-time and casual work has been a very noticeable feature of the labour market in recent years. At the same time, the participation rate of women in the labour force has grown substantially. More women than men are in part-time and casual work, although more men as well are accepting such forms of employment.

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139 E. Gorringe, Submission no. 93, p. 13.

140 Mission Australia, Submission no. 110, Section 3, pp. 2–3.

- 1.108 This chapter has briefly set the scene. Subsequent chapters will look at the consequences and the causes of unemployment, and possible means of addressing the problems.