# **Labour force participation**

Youth at risk and lower skilled mature-age people: a data profile

May 2014



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### 1. Introduction

A key role of the Australian Workforce and Productivity Agency (AWPA) is to provide evidence-based advice to Government on options to improve participation in the Australian workforce.

AWPA's 2013 National Workforce Development Strategy, *Future focus*, highlights the importance of increasing labour force participation to ensure Australia's long-term economic growth and prosperity. In identifying the opportunities that exist to increase labour force participation, *Future focus* draws attention to the disparities that exist in employment outcomes within Australia's working age population.

AWPA is undertaking a project to addressing issues and barriers affecting the labour force participation of two key groups:

- (1) Young people (aged 15–24 years) (referred to in this paper as the youth cohort). Of particular interest are three overlapping subgroups of young people: those who are unemployed; those not fully engaged in education and/or employment; and those who are not in education, employment, or training at all (NEETs);
- (2) Mature-aged males and females aged 45–59 years who left school early and have no post-school qualifications (referred to in this paper as the lower skilled mature-age cohort).

This paper provides a statistical profile of the target cohorts that are the focus of the project's literature review and final report.

The following data analysis defines each cohort in terms of its size and key characteristics; identifies how each cohort has changed over time; and considers subgroups that may face specific barriers to participation (such as Indigenous Australians and individuals with low-language proficiency).

A summary of key statistical terms relating to these data profile is outlined below.

### 1.1 Key terms

The Australian Bureau of Statistics (ABS) defines the **labour force participation rate** as the number of persons aged 15 years and over who are employed or unemployed expressed as a proportion of the population.<sup>1</sup>

The ABS uses the established International Labour Organization (ILO) definition of **employment**, in which a person is considered to be employed if he or she performs at least one hour of work for wages or salary (or in kind payments) in the week they are surveyed. This includes the self-employed, and those who are 'temporarily absent from a paid employment job'.<sup>2</sup>

The ABS defines **unemployment** as those persons aged 15 years and over who are not employed and are actively looking for full time or part time work or are waiting to start a new job.<sup>3</sup> This definition excludes all those who are 'not in the labour force'.

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ABS, 2013, Labour Force Australia, Cat. no. 6202.0, October, p.37.

ABS, 2013, Labour Statistics: Concepts, Sources and Methods, Cat. no. 6102.0.55.001, abs.gov.au/ausstats/abs@.nsf/Lookup/6102.0.55.001Chapter92013 accessed 14 December 2013.

ABS,2013, Labour Force Australia, Cat. no. 6202.0, October, p.37.

The ABS also captures measures of **underemployment**. The definition used in this review is that of *time-related* underemployment, where workers are willing and available to undertake more hours of work than is currently on offer in their workplace.

Labour force **underutilisation** is calculated by adding unemployment and underemployment. (It should be noted that the ABS' extended underutilisation rate, not used in this review, uses a broader definition and also includes those with marginal attachment to the workforce).

Finally, the ABS classifies those **not in the labour force** as neither employed nor unemployed. This category includes discouraged jobseekers; those who want to work but are/are not actively looking for work; those who are unable to work or do not want to work; and those permanently unable to work. Participation in education ('attending an educational institution') is one of the most common activities for people not in the labour force.<sup>4</sup>

#### 1.2 Key findings

Findings of the data profiles for the two key groups (the youth cohort and the lower skilled matureage cohort) include the following key points:

- > The period of transition between education and employment is becoming prolonged, with young people less likely to be in full-time employment and more likely to start full-time work at a later age.
- Around one in five young people are not fully engaged in work or study, while just under one in ten young people are disengaged entirely from education, employment and training (NEETs).
- Young people in their early 20s (aged 20–24 years) are more likely to be not fully engaged (NFE) or completely disengaged from education, employment and training (NEET) than teenagers (aged 15–19 years).
- There is a gap of nearly 20 percentage points between the labour force participation of lower skilled mature-age people, at 69.3 per cent, and those who completed Year 12 and have post-school qualifications, at 88.3 per cent;
- Nearly three times as many lower skilled mature-age people are 'not in the labour force' compared to those with higher-level skills;
- Less than half of lower skilled Indigenous mature-age people are in the labour force (49.6 per cent), while the participation rate of Indigenous mature-age people with higher skills is 82.4 per cent.

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<sup>&</sup>lt;sup>4</sup> ABS, 2012, *Persons Not in the Labour Force, Australia*, Cat. no. 6220.0, September.

## 2. Youth cohort profile

The youth cohort refers to young people aged 15–24 years. As this profile will show, there are a number of issues affecting young people when it comes to participation and a range of factors that influence whether young people are participating in work and/or education to their full-capacity.

For the purposes of this literature review, the data will be broken into the following three subclassifications for young people aged 15–24 age group (the youth cohort):

- Young people who are unemployed;
- Young people not fully engaged in education or work (NFE); and
- Young people not in education, employment, or training (NEETs).

A more detailed definition of each of these subgroups is included in each respective section.

In considering barriers to labour force participation among young people, the following data analysis looks at participation rates and rates of youth unemployment (and underemployment) before focusing on those subgroups of young people who have spare capacity: namely, those not fully engaged (NFE) and those not in education, employment or training (NEETs).

Key findings from this analysis are shown below.

#### **Key findings**

Analysis of the data shows that there are a number of key issues affecting participation for young people.<sup>5</sup> These include:

- ➤ Rates of unemployment and underemployment among young people have increased since the Global Financial Crisis (GFC), particularly among teenagers (aged 15–19 years), with youth unemployment especially high in some geographical regions.
- > The period of transition between education and employment is becoming prolonged, with young people less likely to be in full-time employment and more likely to start full-time work at a later age.
- While rates of casualisation in the workforce have remained relatively steady for the general population (of all ages), the proportion of young people employed in casual work has increased considerably, particularly among teenagers (aged 15–19 years).
- The proportion of young people (aged 15–24 years) in full-time education or training has continued to increase, with young females participating in full-time education at higher rates than young males.
- While the proportion of young people in full-time study has increased since 2006, the proportion not fully engaged in work or study (NFE), or not in any form of education, training or paid employment (NEETs) has also increased during this time.

See Foundation for Young Australians, 2013, *How young people are faring 2013*, Melbourne: Foundation for Young Australians, and the data analysis which follows.

- Around one in five young people are not fully engaged in work or study, while just under one in ten young people are disengaged entirely from education, employment and training (NEETs).
- Young people in their early 20s (aged 20–24 years) are more likely to be not fully engaged (NFE) or completely disengaged from education, employment and training (NEET) than teenagers (aged 15–19 years).

#### 2.1 Youth participation in the labour force and full-time education

As Figure 1 demonstrates, the labour force participation rate for 15–24 year olds has been in steady decline since 2008, with the largest drop in participation experienced by young males between 2008 and 2013: a decrease of more than 4 percentage points.

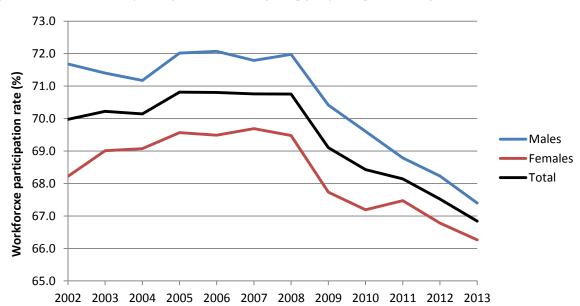


Figure 1 Labour force participation rates of young people (aged 15–24 years), 2002–2013 (%)

Source: ABS, 2014, *Labour Force, Australia, Detailed*, Cat no. 6291.0.55.001, January. Table 03a Labour force status for 15–24 year olds by educational attendance, Age and Sex, Original series. Data averaged over 12 months.

The fall in labour force participation in the wake of the global financial crisis indicates a decline in employment opportunities during the weaker economic conditions that have existed post-GFC, but also reflects the rise in the number of young people undertaking full-time education.

As Figure 2 shows, the number of young people attending full-time education has increased over the past decade, from around 44 per cent in 2003 to over 50 per cent in 2013. More young females are attending full-time education than males, with 53.2 per cent of females aged 15–24 years (805,800) in full-time education, compared to 48.4 per cent of young males (763,900).

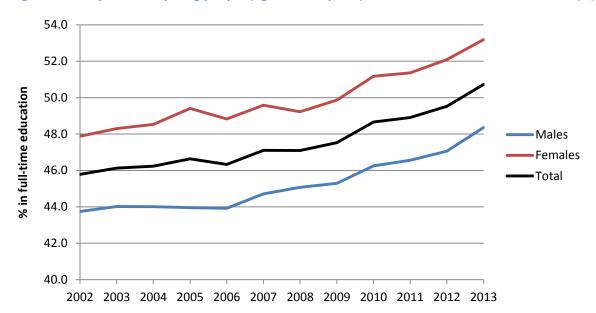


Figure 2 Proportion of young people (aged 15–24 years) in full-time education, 2002–2013 (%)

Source: ABS, 2014, *Labour Force, Australia, Detailed*, Cat no. 6291.0.55.001, January. Table 03a Labour force status for 15–24 year olds by educational attendance, Age and Sex, Original series. Data averaged over 12 months.

When we adjust labour force participation rates for 15–24 year olds to exclude those attending full-time education (see Figure 3), we can see that the decline in participation is not as dramatic as that shown in Figure 1, but that participation rates have nevertheless fallen since 2002. This indicates that the rise in full-time education is not sufficient to explain the drop in labour force participation of young people over the last decade.

Once again, this fall in participation is more marked for males than females. Among young males not attending full-time education, participation in the labour force has fallen from 92.1 per cent in 2002 to 89.2 per cent in 2013 (a decrease of 2.9 percentage points), compared to a drop of 81.7 per cent to 80.8 per cent for young females (a decrease of only 0.9 percentage points, reflecting the higher proportion of young women in full-time education).

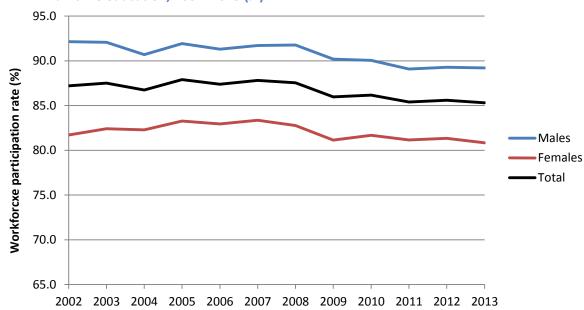


Figure 3 Labour force participation rates of young people (aged 15–24 years) not attending full-time education, 2002–2013 (%)

Source: ABS, 2014, *Labour Force, Australia, Detailed*, Cat no. 6291.0.55.001, January. Table 03a Labour force status for 15–24 year olds by Educational attendance, Age and Sex, Original series. Data averaged over 12 months.

#### 2.2 Youth unemployment and underemployment

More than one in three unemployed Australians are young people, and the problem of youth unemployment is growing.

As of January 2014, the unemployment rate for young people (aged 15–24 years) was 12.3 per cent – more than twice as high than the national unemployment rate of 6.0 per cent (for people aged 15 years and over).<sup>6</sup> A higher proportion of young males are unemployed, at 13.0 per cent, than females, at 11.5 per cent.<sup>7</sup>

As the Brotherhood of St Laurence points out, 'the global financial crisis has had a scarring impact on the job prospects of Australia's young people'. Prior to the GFC, youth unemployment was 9.0 per cent (in January 2008) compared to an overall rate of 4.2 per cent. The rise in youth unemployment is particularly acute among teenagers (aged 15–19 years), with 16.3 per cent unemployed as of January 2014 compared to 13.3 per cent in January 2008 (pre-GFC).

The youth trend rate in January 2014 was 12.4 per cent and the overall trend rate 5.9 per cent. This indicates that the proportionate increase in the overall rate of unemployment (for the whole labour force) is greater than for young people (aged 15-24 years). ABS, 2014, *Labour Force, Australia*, Cat. no. 6202.0, January. Table 17. Labour force status by Sex - Persons aged 15 to 24 years - Seasonally Adjusted.

<sup>&</sup>lt;sup>7</sup> ABS, 2014, *Labour Force, Australia*, Cat. no. 6202.0, January. Table 17. Labour force status by Sex - Persons aged 15 to 24 years - Seasonally Adjusted.

Brotherhood of St Laurence (2014) Australian Youth Unemployment 2014: Snapshot, Fitzroy, Victoria: Brotherhood of St Laurence, p.4.

Brotherhood of St Laurence (2014) *Australian Youth Unemployment 2014: Snapshot*, Fitzroy, Victoria: Brotherhood of St Laurence; ABS, 2014, *Labour Force, Australia*, Cat. no. 6202.0, January. Table 02 Labour force status by Sex - Seasonally adjusted.

ABS, 2014, *Labour Force, Australia*, Cat. no. 6202.0, January, Table 14 Labour force status by Sex - Persons aged 15 to 19 years - Seasonally Adjusted.

Importantly, however, unemployment rates for young people aged 15–24 differ significantly across the country, with pockets of particularly high unemployment recorded in regions such as West and North West Tasmania (at 21.0 per cent) and Cairns (20.5 per cent). The top ten regions with the highest rates of youth unemployment are shown in Table 1 below.

Table 1 Top ten highest youth unemployment rates (aged 15–24 years) by region, average of 12 months to January 2014

Region	State	Youth unemployment rate
West and North West Tasmania (including Burnie, Devonport)	TAS	21.0%
Cairns	QLD	20.5%
Northern Adelaide (including Elizabeth, Gawler)	SA	19.7%
South East Tasmania (including Derwent Valley, excluding Hobart)	TAS	19.6%
Outback Northern Territory	NT	18.5%
Launceston and North East Tasmania	TAS	18.2%
Moreton Bay North (including Caboolture, Redcliffe)	QLD	18.1%
Wide Bay (including Bundaberg, Gympie)	QLD	17.6%
Hume (including Goulburn Valley, Wodonga, Wangaratta)	VIC	17.5%
Mandurah (including Dawesville, Falcon)	WA	17.3%

Source: Brotherhood of St Laurence (2014) *Australian Youth Unemployment 2014: Snapshot*. (Data source: ABS, 2014, Labour Force, Australia, Detailed, Cat no. 6291.0.55.001, January. Data averaged over 12 months.)

While neither region appears in the top ten, the highest youth unemployment rate recorded for New South Wales is found in Parramatta (at 16.8 per cent), while the Australian Capital Territory has 11.3 per cent youth unemployment (below the national average for 15–24 year olds).

As Table 2 shows, whether a young person is employed or not in the labour force is also highly influenced by characteristics such as Indigenous status, English language proficiency, and disability.

Table 2 Proportion of young people (aged 15–24 years) who are unemployed or not in the labour force, by selected characteristics, 2011

Selected characteristic	Unemployed	Not in the labour force
Indigenous	16.3%	42.5%
Non-Indigenous	9.1%	13.7%
English Language proficiency – speaks English very well	10.3%	17.0%
English Language proficiency – speaks English well	10.4%	32.8%
English Language proficiency – does not speak English well	9.1%	50.1%
English Language proficiency – does not speak English at all	9.8%	75.6%
Needs assistance with core needs	9.0%	65.3%
Does not need assistance with core needs	9.5%	14.0%

Source: ABS, 2011, 2011 Census of Population and Housing.

#### The data shows that:

- There is a wide gap between employment outcomes for Indigenous and non-Indigenous young people. Among non-Indigenous youth, unemployment in 2011 was 9.1 per cent, compared to 16.3 per cent for Indigenous young people.
- While the unemployment rate of young people does not change markedly according to their level of English language proficiency, there is a significant difference in the proportion who are not in the labour force, with 75.6 per cent of those who do not speak English at all not in the labour force, compared to only 17 per cent of those who speak English very well.
- While unemployment rates are similar regardless of disability status, the proportion not in the labour force was not surprisingly far higher for those young people reporting that they need assistance with core needs at 65.3 per cent, compared to those who do not, at 14 per cent.

Socio-economic status also has a strong bearing on labour force outcomes. The unemployment rate of teenagers aged 15–19 years with the lowest SES (deciles 1–3) is substantially greater than those with the highest (deciles 8–10), at 22.8 per cent compared to 13.8 per cent, respectively. The same is true of young adults aged 20–24 years, with an unemployment rate of 14.2 per cent among those with the lowest SES and 7.6 per cent for those with the highest (i.e. those with the least disadvantage).

Similarly, there is a strong association between SES and low participation, particularly for young adults. More than a quarter (26.4 per cent) of 20–24 year olds with low SES (deciles 1–3) are not in the labour force, compared to 18.7 per cent for those with high SES (deciles 8–10): a gap of 14.7 percentage points. By contrast, there is a much lower gap for teenagers not in the labour force of 6.2 percentage points between the highest and lowest SES groups. 12

Another key issue affecting young people's participation in the labour force is that many young people who *are* employed want to work more, but can't. As Figure 4 illustrates, *under*employment – defined as those who want more hours of work than they currently have<sup>13</sup> – is a common problem for 15–24 year olds, with 15.5 per cent classified as 'underemployed' in 2012 compared with 7.1 per cent for the population as a whole.

Roughly one third of part-time workers who would prefer to work more hours are young people aged 15 to 24 years.<sup>14</sup>

Underemployment has remained persistently higher for females than for males over the past decade, with 16.8 per cent of young females classified as underemployed compared to 12.4 per cent of young males.

The higher deciles indicate a relative lack of disadvantage. The Index of Relative Socio-economic Advantage and Disadvantage (IRSAD) was used to formulate measures of socio-economic status. See ABS, 2006, *Information Paper: An Introduction to Socio-Economic Indexes for Areas (SEIFA)*, Cat. no. 2039.0.

ABS, 2011, Socio-Economic Indexes for Areas (SEIFA) (based on 2011 Census data): IRSAD Deciles by Population (SA1) by AGE5P Age in Five Year Groups; STUP Full-Time/Part-Time Student Status; LFSP Labour Force Status; and SEXP Sex.

ABS, 2013, Cat. no. 6202.0, Labour Force, Australia, June <a href="mailto:abs.gov.au/ausstats/abs@.nsf/Lookup/6202.0main+features4Jun%202013">abs.gov.au/ausstats/abs@.nsf/Lookup/6202.0main+features4Jun%202013</a>, accessed 15 January 2014.

Foundation for Young Australians, 2013, How young people are faring 2013, Melbourne: Foundation for Young Australians

The underemployment of young people thus reflects a different trend to unemployment, in which young males have a higher rate of joblessness but young females who have jobs are more likely to want to work more hours.

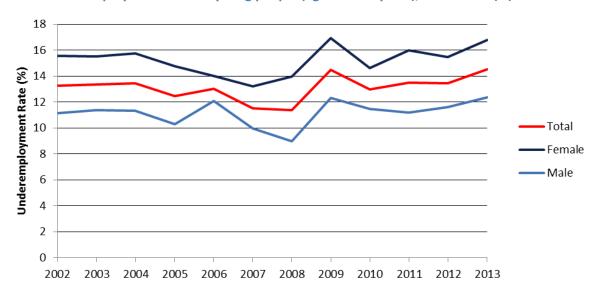


Figure 4 Underemployment rates of young people (aged 15-24 years), 2002-2013 (%)

Source: ABS, 2013, *Labour Force, Australia*, Cat no. 6202.0, December. Table 22 Labour underutilisation by Age and Sex, Seasonally Adjusted series. Using the August figures for each year.

By combining unemployment with underemployment, we can derive an overall indicator of underutilised labour in the labour force.<sup>15</sup> Figure 5 shows this combined measure, which reflects that the labour force underutilisation of young people had declined steadily between 2002 and 2008, but rose sharply in the wake of the GFC (post-2008). After a small decrease to 2010 (for females) and 2011 (for males), the underutilisation rate for young people has again risen to above 25 per cent in 2013 for both genders.

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People who are actively looking for work and who could start within four weeks, but are not available to start in the reference week; and discouraged job seekers. ABS, 2011, Australian Labour Market Statistics, Cat. no. 6105.0, January.

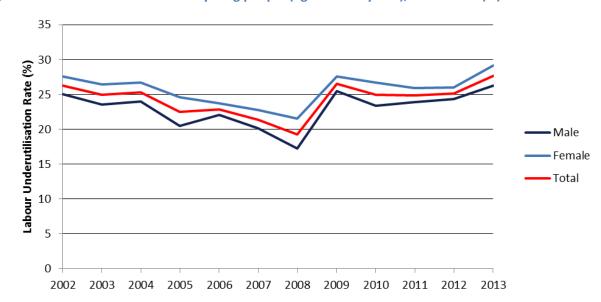


Figure 5 Underutilisation rates of young people (aged 15–24 years), 2002–2013 (%)

Source: ABS, 2013, Labour Force, Australia, Cat no. 6202.0, December. Table 22 Labour underutilisation by Age and Sex, Seasonally Adjusted series. Using the August figures for each year.

As of 2013, the underutilisation rate for 15–24 year olds in 2013 was 27.6 per cent – more than double the underutilisation rate recorded for the population as a whole (12.6 per cent).

Finally, another key trend in young people's participation in the labour force is the extent to which young people are occupied in full-time employment. As the Foundation for Young Australians has noted, 'young people are less likely to be in full-time employment and are more likely to start full-time work at a later stage'. <sup>16</sup>

The Foundation attributes this trend to a number of factors, not least that more young people are choosing to study full-time (as shown in Figure 2).

However, structural changes in the labour market also mean that people are entering full-time employment at a later age. Among young people with jobs, three times as many teenagers (aged 15–19 years) and more than twice as many young adults (aged 20–24 years) were employed in part-time jobs in 2011 compared to a generation ago. The number of teenagers in full-time employment declined from almost half a million in 1981 to under 200,000 in 2012.<sup>17</sup>

While much of this decline can be attributed to the rise in school retention and a corresponding increase in tertiary education, there are also fewer full-time employment opportunities for young people.

By mid-2013, the number of young people (aged 15–24 years) who reported that they were seeking full-time work had increased to its highest rate in 15 years (27.3 per cent), while more than one in five teenagers (aged 15–19 years) who were *not* engaged in education indicated they were trying to find full-time work.<sup>18</sup>

Foundation for Young Australians, 2013, How young people are faring 2013, p.6.

Foundation for Young Australians, 2013, How young people are faring 2013.

Foundation for Young Australians, 2013, How young people are faring 2013.

Correspondingly, 'while the proportion of adults (aged 25 years and older) working on a casual basis has remained relatively constant... incidence of casual work among young people [aged 15–24 years] has increased considerably'. <sup>19</sup> This is especially true of teenagers (aged 15–19 years) who in 2012 made up one fifth (20 per cent) of all casual workers in Australia. <sup>20</sup>

This indicates that while more young people are choosing to further their education, there is a significant—and growing— pool of untapped labour potential among young Australians that is not being utilised by the labour market.

### 2.3 Young people not fully engaged (NFE) in work or study

While the previous section looks at overall trends in youth participation, employment and underemployment, the following considers the extent to which young people are not fully participating in either employment or education.

Young people not fully engaged in work or study refers to those aged 15-24 years of age who are:

- Not employed in full-time work (i.e. are unemployed, not in the labour force, or only employed part-time);
- Not engaged in full-time education or training (i.e. are not studying or are only studying part-time); and
- Not engaged in *both* part-time education/training and part-time work.

In short, this subgroup refers to those young people who may have spare capacity to participate in the labour force, and who may either be not participating in work/study at all, or only on a part-time basis. Those young people who are combining part-time work and study (thereby undertaking a full-time load of activity) are excluded from the category of 'not fully engaged' (NFE).

As the ABS notes, 'research suggests that young people who are not fully engaged in education or employment (or a combination of both) are at greater risk of unemployment, cycles of low pay, and employment insecurity in the longer term'. <sup>21</sup> The extent to which young people are not fully engaged in work or study is therefore an important consideration in examining issues of youth underparticipation.

The extent to which young people are not fully engaged in work or study is a key priority of the COAG Reform Council.<sup>22</sup> However, in order to provide a more accurate picture of the extent to which young people are not fully engaged (NFE), the Council excludes those who are below the compulsory school leaving age, only focusing on those aged 17–24 years.

As Figure 6 indicates, while the proportion of young people aged 17–24 years who are engaged in full-time study has increased between 2006 and 2011 (from 28.6 per cent to 32.0 per cent, respectively), the proportion in full-time employment has declined from 41.2 per cent to 36.3 per cent over the same period.

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Foundation for Young Australians, 2013, How young people are faring 2013, p.6.

Foundation for Young Australians, 2013, How young people are faring 2013.

ABS, 2013, Gender Indicators, Australia, Cat. No. 4125.0, January.

<sup>&</sup>lt;sup>22</sup> COAG Reform Council, 2013, Education in Australia 2012: Five years of performance, Report to the Council of Australian Governments, 21 October.

Figure 6 Young people of post-compulsory schooling age (17–24 year olds) by level of engagement in work or study, 2006 and 2011 (%)

Source: COAG Reform Council, 2013, *Education in Australia 2012: Five years of performance*, Report to the Council of Australian Governments, 21 October, p.9.

When added to the proportion of people aged 17–24 years who are combining study and employment (4.1. per cent in 2006 and 4.4 per cent in 2011), it is clear that there has been an increase in the proportion of youth aged 17–24 years who are not fully engaged (NFE): rising from 26.1 per cent in 2006 to 27.3 per cent in 2011. This is attributable to the rise in the rate of young people studying full-time failing to offset a more substantial decrease in full-time employment.

The COAG data also considers the engagement of young people of post-compulsory schooling age (17–24 years) by state and territory (see Figure 7 below). It shows that the highest levels of young people not fully engaged are located in the Northern Territory (at 42.3 per cent), followed by Tasmania (33.4 per cent), Queensland (30.9 per cent) and South Australia (30.5 per cent). The Australian Capital Territory has the lowest rate of young people not fully engaged, at 16.7 per cent.

The high proportion of young people not fully engaged in the Northern Territory is explained by the very low proportion in full-time study, which at 7.9 per cent is around one-third the Australian average. However, the Northern Territory nevertheless also has the highest proportion of young people aged 17–24 years in full-time work, at 46.5 per cent.

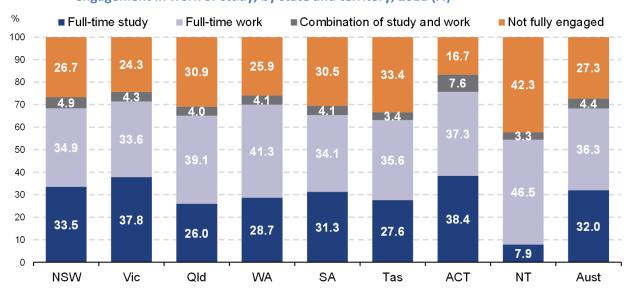


Figure 7 Young people of post-compulsory schooling age (17–24 year olds) by level of engagement in work or study, by state and territory, 2011 (%)

Source: COAG Reform Council, 2013, Education in Australia 2012: Five years of performance, Report to the Council of Australian Governments, 21 October.

If we update the data using the ABS' Survey of Education and Work, and adjust it to include the full age range of our youth cohort (aged 15–24 years), we see a similar pattern emerge in terms of increasing levels of young people not fully engaged.

As Figure 8 shows, the proportion of young people not fully engaged in work or study has increased from 519,000 persons in 2003 (18.7 per cent) to 636,500 (20.3 per cent) in 2013.

It should be noted that the overall proportion of young people not fully engaged is lower than the COAG estimates (shown in Figure 6) due to our inclusion of 15 and 16 years olds in this cohort. As 15 and 16 year olds are below the age of compulsory school leaving in most states and territories (and are therefore likely to be fully engaged in study), it is not surprising that their inclusion in the data leads to lower average estimates of those young people not fully engaged when compared to the COAG data.

Figure 8 also shows that if we disaggregate teenagers (age 15–19 years) from young adults (age 20–24 years), the apparent trends in engagement in work and study are quite different.

The proportion of teenagers who are not fully engaged has decreased from 2009, at 15.9 per cent, to 13.7 per cent in 2013. This is roughly equivalent to the proportion not fully engaged a decade ago (13.5 per cent in 2003). In contrast, the proportion of young adults not fully engaged has remained high since 2009, at 22.9 per cent, increasing to 26.2 per cent in 2013, and representing an increase of 2.4 percentage points on a decade ago.

This means that over one in four young adults (aged 20–24 years) is not fully engaged in work or study, compared to just over one in seven teenagers (aged 15–19 years). As the actual number of young adults not fully engaged in 2013, at 435,400, is more than double that of teenagers, at 201,100, this represents an important issue for policymakers aiming to increase youth participation in Australia.

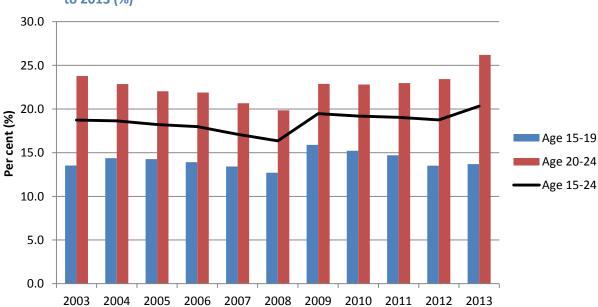


Figure 8 Proportion of young people (aged 15–24 years) not fully engaged in work or study, 2003 to 2013 (%)

Source: ABS, 2013, Survey of Education and Work, Cat. no. 6227.0, time series data.

If we explore the data further, we can determine that there are also very different observable trends depending on gender. As Figure 9 indicates, the growth in the number of young adults not fully engaged or work or study is largely attributable to the increase in young women aged 20–24 not fully engaged, which has risen to over a quarter of a million individuals (250,600) in 2013.

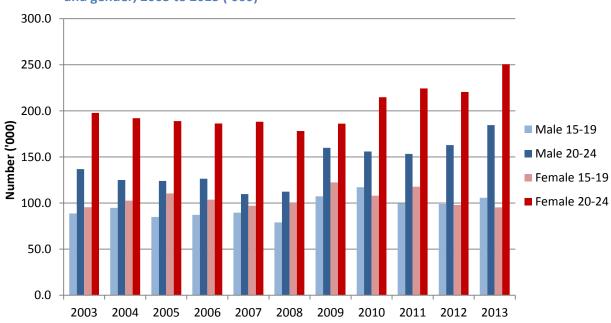


Figure 9 Number of young people (aged 15–24 years) not fully engaged in work or study by age and gender, 2003 to 2013 ('000)

Source: ABS, 2013, Survey of Education and Work, Cat. no. 6227.0, time series data.

As Table 3 shows, this means that over three in ten (30.7 per cent) young female adults aged 20–24 years is not fully engaged in work or study. This compares to only 13.3 per cent of female teenagers (13.3 per cent) and 21.8 per cent of young male adults aged 20–24 years.

Table 3 Proportion of young people (aged 15–24 years) not fully engaged in work or study by age and gender, 2003 to 2013 (%)

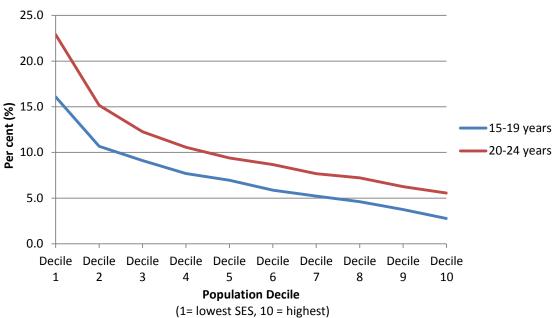
		Males			Females	
Year	Teenagers (aged 15–19 years)	Young adults (20–24 years)	All (15–24 years)	Teenagers (aged 15–19 years)	Young adults (20–24 years)	All (15–24 years)
2003	12.7	19.3	16.0	14.3	28.3	21.5
2004	13.6	17.9	15.7	15.2	27.9	21.6
2005	12.2	17.3	14.8	16.4	26.8	21.7
2006	12.4	17.4	15.0	15.5	26.5	21.1
2007	12.7	14.9	13.8	14.1	26.6	20.5
2008	11.0	15.1	13.1	14.5	24.8	19.8
2009	14.4	20.9	17.7	17.4	24.9	21.3
2010	15.5	18.8	17.2	14.9	27.0	21.2
2011	13.2	18.3	15.9	16.3	27.7	22.4
2012	13.3	19.5	16.6	13.7	27.5	21.0
2013	14.1	21.8	18.2	13.3	30.7	22.6

Source: ABS, 2013, Survey of Education and Work, Cat. no. 6227.0, time series data.

The difference in levels of engagement between males and females in this young adult cohort (aged 20–24 years) is at least partly explained by the greater likelihood of females being carers of young children at this age.<sup>23</sup> However it also reflects that young women are more likely to be in part-time work and underemployed (as opposed to unemployed), as established in the previous section.

Socio-economic status also exerts a strong influence on whether or not young people are fully engaged in work or study. As Figure 10 shows, young people with the lowest SES (decile 1) have a much higher proportion of young people not fully engaged, with 16.1 per cent of teenagers and 22.9 per cent of young adults. This falls to only 2.8 per cent of teenagers and 5.5 per cent of young adults in decile 10 (those with the least disadvantage/highest SES).

Figure 10 Proportion of young people (aged 15–24 years) not fully engaged in work or study by age group and Socio-Economic Indexes for Areas (SEIFA): IRSAD Population Deciles, 2011



Source: ABS, 2011, Socio-Economic Indexes for Areas (SEIFA) (based on 2011 Census data): IRSAD Deciles at SA1 Level (Pop) by AGE5P Age in Five Year Groups; STUP Full-Time/Part-Time Student Status; LFSP Labour Force Status; and SEXP Sex.

While the proportion of young people not fully engaged is consistently higher for young adults than for teenagers—with a gap of around five percentage points between individuals in decile 3 to decile 10 and a slightly larger gap in deciles 1 and 2—the pattern of participation between teenagers and young adults is nevertheless similar, with the proportion of those not fully engaged falling steadily as disadvantage decreases (i.e. with higher SES).

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<sup>&</sup>lt;sup>23</sup> ABS, 2013, Gender Indicators, Australia, Cat. No. 4125.0, January.

#### 2.4 Young people not in education, employment and training (NEETs)

Finally, it is important to consider the extent to which young people are completely disengaged from work and study (as opposed to only 'not fully engaged').

Young people not in education, employment and training (NEETs) can be defined as those aged 15–24 years of age who are:

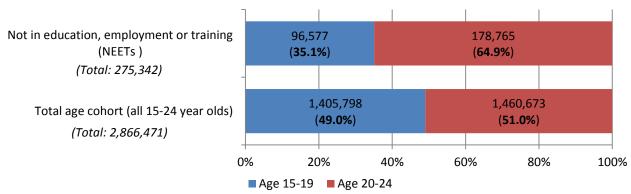
- Not employed in either full- or part-time work (i.e. are unemployed or not in the labour force); and
- Not engaged in either full- or part-time education or training.

According to the 2011 Census, there are 275,342 people aged 15–24 years in 2011 who can be classified as NEETs (not in education, employment or training). This represents nearly one in ten young people (9.6 per cent). In comparison, around one in five young people can be described as 'not fully engaged', as discussed previously.

The number of 15–24 year olds not in education, employment or training has risen by nearly 11 per cent since the 2006 Census, when there were 248,781 young people classified as NEETs.

As Figure 11 illustrates, the proportion of young adults (aged 20–24 years) not in education, employment or training (NEETs) is much higher than that of teenagers (aged 15–19 years). While the number of young adults versus teenagers is roughly equivalent in the general population, almost twice as many young adults are likely to be disengaged from work and study (64.9 per cent) compared to teenagers (35.1 per cent).

Figure 11 Youth cohort (aged 15–24 years) and young people not in education, employment or training (NEETs) by age group, 2011 (%)



Source: ABS, 2011, 2011 Census of Population and Housing.

As an overall proportion of young adults, more than one in eight 20–24 year olds can be classified as 'NEETs', compared to only around one in sixteen teenagers (aged 15–19 years)

According to the 2011 Census, almost two-fifths (38.7 per cent) of young people (aged 15–24 years) not in education, employment or training (NEETs) are unemployed (i.e. available for work and looking for a job). The remaining 61.3 per cent are classified as not in the labour force (excluding those who were attending an educational institution by definition). These proportions are largely unchanged since the 2006 Census, when 38.2 per cent of NEETs were unemployed and 61.8 per cent were not in the labour force.

This shows that while the overall numbers of NEETs have increased, the percentage of young people looking to engage with the labour force has remained largely the same.

The characteristics of young people not in education, employment or training (NEETs) differ considerably from those of the population of 15–24 year olds as a whole. As Table 4 outlines, the proportion of Indigenous persons is far higher, at 12.7 per cent, as well as the proportion of those with low English language proficiency. Nearly one in eight NEETs (11.4 per cent) do not speak English well, while another 2.9 per cent do not speak English at all (compared to 5.7 per cent, and 0.6 per cent for 15–24 year olds overall). Over 6 per cent of NEETs report needing assistance with core needs (the indicator of disability used by the ABS in Census data), compared to only 1.8 per cent of the broader cohort of 15–24 year olds.

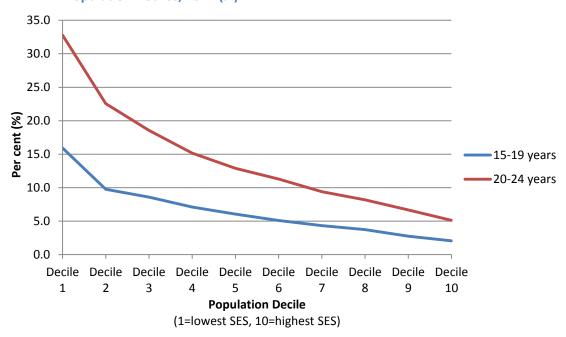
Table 4 Youth cohort (aged 15–24 years) and young people not in education, employment or training (NEETs) by selected characteristics, 2011

Characteristic	Total youth cohort (all 15–24 year olds)	Not in education, employment or training (NEETs)
Needs assistance with core needs	1.8%	6.4%
Indigenous	3.9%	12.7%
English Language proficiency – does not speak English well	5.7%	11.4%
English Language proficiency – does not speak English at all	0.6%	2.9%

Source: ABS, 2011, 2011 Census of Population and Housing.

Figure 12 indicates that socio-economic status is another important predictor of whether a young person is not engaged in education, employment or training (NEETs).

Figure 12 Proportion of young people (aged 15–24 years) not in education, employment or training (NEETs) by age group and Socio-Economic Indexes for Areas (SEIFA): IRSAD Population Deciles, 2011 (%)



Source: ABS, 2011, Socio-Economic Indexes for Areas (SEIFA) (based on 2011 Census data): IRSAD Deciles at SA1 Level (Pop) by AGE5P Age in Five Year Groups; STUP Full-Time/Part-Time Student Status; LFSP Labour Force Status; and SEXP Sex.

The data shows that socio-economic disadvantage is a much greater indicator of non-participation for young adults (aged 20–24 years) than for teenagers (aged 15–19 years). Nearly one third of young adults with the lowest SES (decile 1) are not in education, employment or training, compared to only around 15.9 per cent of teenagers in this category. This gap narrows as disadvantage decreases, with a percentage point difference of only around 3 per cent between the proportion of young adult NEETs (5.1 per cent) and teenage NEETs (2.1 per cent) in the highest SES group (decile 10).

### 2.5 Young people transitioning to work

Periods of transition for young people are getting longer, reflecting the growing proportion in full-time education and decreasing levels of full-time employment among those aged 15–24 years, as shown in Figures 1 and 2.

The 2013 Australian Graduate Survey (AGS) indicates that more than one in ten (10.6 per cent) of new bachelor degree graduates (of all ages) who were available for full-time employment had not found a job within four months of completing their studies: an increase of two percentage points from 2012, at 8.6 per cent. A further 18.1 per cent of new graduates were working on a part-time or casual basis four months after completing their studies. Taken together, this means that more than one quarter (28.7 per cent) of new bachelor degree graduates had not gained full-time employment four months after graduation.<sup>24</sup>

The survey results imply that 'it is still taking [new graduates] longer to move into the labour force than it did prior to the global economic downturn'.<sup>25</sup>

While the survey findings apply to graduates of all ages, they do indicate that transitioning from study to full-time employment is a process that is becoming more prolonged. Of bachelor degree graduates available for full-time employment who are *under the age of 25 years*, 74.3 per cent were in full-time employment four months after completing their studies (75.4 per cent for females and 72.5 per cent for males).<sup>26</sup>

This shows that it is not necessarily just the youth cohort that is affected by an extended period of transition from study to work, with a lower proportion of graduates of all ages (71.3 per cent) finding full-time employment compared to those under the age of 25 (74.3 per cent): a gap of three percentage points.

However, while the transition of new bachelor degree graduates to full-time education is taking longer than it has in the past, the middle- to longer-term outlook for graduates remains positive. A survey of graduates (of all ages) three and five years later shows that, by 2012, the full-time employment figure for 2009 graduates was 92.3 per cent.<sup>27</sup> Moreover, only 3.4 per cent of bachelor

GCA, 2013, 'Media release: 2013 graduate jobs data', Graduate Careers Australia, 17 December, http://www.graduatecareers.com.au/wp-content/uploads/2013/12/GradStatsmediarelease171213.pdf.

acca, 2013, 'Media release: 2013 graduate jobs data', Graduate Careers Australia, 17 December, <a href="http://www.graduatecareers.com.au/wp-content/uploads/2013/12/GradStatsmediarelease171213.pdf">http://www.graduatecareers.com.au/wp-content/uploads/2013/12/GradStatsmediarelease171213.pdf</a>.

GCA, 2013, Bachelor Graduates (Under 25) - All Fields of Education, *Australian Graduate Survey*, Graduate Careers Australia, <a href="http://www.graduatecareers.com.au/Research/GradJobsDollars/BachelorU25/AllFields/index.htm">http://www.graduatecareers.com.au/Research/GradJobsDollars/BachelorU25/AllFields/index.htm</a>.

GCA, 2013, 'Media release: 2013 graduate jobs data', Graduate Careers Australia, 17 December, http://www.graduatecareers.com.au/wp-content/uploads/2013/12/GradStatsmediarelease171213.pdf.

degree graduates were unemployed as of May 2013, compared to 7.8 per cent for persons (of all ages) with no post-secondary qualifications.

By comparison, 78.0 per cent of VET graduates in 2013 were employed six months after completing their training, while 88.0 per cent were either employed or in further study. However, only 4.5 per cent of VET graduates were employed in their first full-time job after completing their training, reflecting the vocational nature of VET and the fact that the majority of graduates (73.1 per cent) were already employed prior to training.<sup>28</sup>

Employment data shows that as young people age into the 25 to 34 year old age bracket, many of the underutilisation issues identified in Section 2.1.2 of this review have been resolved among those with qualifications, with greater prospects of gaining a full-time job with "good' status, skills and income' as young people enter their late 20s and early 30s.<sup>29</sup>

As the Foundation for Young Australians points out,

There is a distinctive pattern of younger people being concentrated in the poorer jobs (relative to the overall job distribution), but once past the 'youth transition' period there is a concentration in the better jobs. This reflects the jobs that young people obtain following their initial post-school education. <sup>30</sup>

Yet this is by no means true for all, with a small number of those who are disengaged from work at an early age continuing to experience low employment outcomes later in life. Importantly, increasing levels of education among the young cohort mean that, as they age,

those with poor education are likely to find the labour market more difficult [and] it is becoming increasingly difficult for unqualified people to get a 'good' job... It is clear that, on the whole, the job market is friendly towards young people, provided that they obtain post-school qualifications. The corollary is that early school leavers in particular are likely to be trapped in low income jobs.<sup>31</sup>

Data collected from the 2006 and 2011 Censuses enable us to track outcomes for the youth cohort across time and provides a more detailed picture of how employment patterns vary for 15–24 year olds.

As Figure 13 shows, **youth unemployment** dropped markedly as the cohort of teenagers (aged 15–19 years) became young adults (aged 20–24 years), declining from 13.2 per cent unemployment in 2006 to 8.6 per cent in 2011. The drop in unemployment was less dramatic for those who were young adults (aged 20–24 years) in 2006 entering their mid-to-late 20s (aged 25–29 years) in 2011, falling from 8.0 per cent to 5.1 per cent, respectively.

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NCVER, 2013, 2013 Student Outcomes Survey, Adelaide: NCVER.

Foundation for Young Australians, 2013, How young people are faring 2013, p.7.

Foundation for Young Australians, 2013, How young people are faring 2013, p.22.

Foundation for Young Australians, 2013, *How young people are faring 2013*, p.22.

16.0 14.0 12.0 **Ber cent (%)** 8.0 8.0 6.0 2006 L4.0 13.2 2.4 **2011** 8.6 4.0 8.0 7.4 5.1 2.0 0.0 15-19 20-24 15-19 20-24 15-19 20-24 Males Females Persons

Figure 13 Youth unemployment rate of young people (aged 15–24 years) not fully engaged in work or study in 2006 and 2011, by age (in 2006) (%)

Source: ABS, Australian Census Longitudinal Dataset, 2006–2011.

However, not all under-participation or transition issues are solved by the ageing of the youth cohort. Figure 14 shows that the proportion of **young people not fully engaged in work or study** actually increases as teenagers become young adults. This is particularly true for young women, who show an increase of 17.6 percentage points between 2006 (when aged 15–19 years) and 2011 (when aged 20–24 years). Conversely, there is an increase of only 2.8 percentage points for those aged 20–24 years (in 2006), as they age to 25–29 years in 2011. Meanwhile, the proportion of males in this group has actually decreased by 4.7 percentage points between 2006 and 2011, indicating that child-rearing responsibilities may be playing a role in the greater proportions of young women not fully engaged.

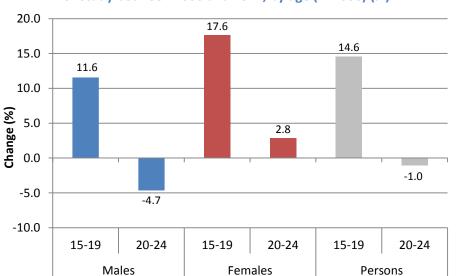


Figure 14 Change in the proportion of young people (aged 15–24 years) not fully engaged in work or study between 2006 and 2011, by age (in 2006) (%)

 $Source: ABS, \ Australian \ Census \ Longitudinal \ Dataset, \ 2006-2011.$ 

Finally, when we compare how the **NEET** category changes as young people age, we see that the proportion of people in this category grows as teenagers in 2006 age into young adults in 2011, with a proportional increase of 4.0 per cent among males and 6.9 per cent among females.

20.0 15.0 10.0 Change (%) 6.9 5.4 5.0 4.0 3.9 1.5 0.0 -0.8 -5.0 20-24 15-19 20-24 20-24 15-19 15-19 Males **Females** Persons

Figure 15 Change in the proportion of young people (aged 15–24 years) not in education, employment or training (NEETs) between 2006 and 2011, by age (in 2006) (%)

Source: ABS, Australian Census Longitudinal Dataset, 2006–2011.

However, once again, the proportion of male NEETs decreases as those aged 20–24 years enter their mid-to-late 20s, with a drop of 0.8 percentage points over this five year period. By contrast, the proportion of female NEETs has continued to increase by 3.9 per cent as they enter their mid-to-late 20s, which again may be at least partially explained by child-caring responsibilities at this age.<sup>32</sup>

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<sup>&</sup>lt;sup>32</sup> ABS, 2013, Gender Indicators, Australia, Cat. No. 4125.0, January.

## 3. Lower skilled mature-age cohort profile

For the purposes of this study 'mature-age' refers to people aged 45–59 years while the 'lower skilled mature-age cohort' refers to males and females aged 45–59 who were early school leavers (i.e. who did not complete Year 12) and have no post-school qualifications.<sup>33</sup>

Key findings for this cohort are shown below.

#### **Key findings**

Analysis of the data shows that there are a number of key issues affecting participation for matureage people.<sup>34</sup> These include:

- > There is a gap of nearly 20 percentage points between the labour force participation of lower skilled mature-age people, at 69.3 per cent, and those who completed Year 12 and have post-school qualifications, at 88.3 per cent;
- Nearly three times as many lower skilled mature-age people are 'not in the labour force' compared to those with higher-level skills;
- Less than half of lower skilled Indigenous mature-age people are in the labour force (49.6 per cent), while the participation rate of Indigenous mature-age people with higher skills is 82.4 per cent.

There are statistical limitations as to what can be learnt about this cohort as the specific characteristics of interest (mature-aged people of 45–59 years who are early school leavers, with no post-school qualifications) mean that only Census data can be used to capture this level of detail.

The ABS produces labour force data relating to those aged 45–59 years, but does not produce time series data concerning those 45–59 years with these particular educational characteristics. Similarly, ABS data for underemployment and labour underutilisation is calculated for the age groups 45–54 years and 55 years and over, but data is not readily available for 45–59 year olds who were early school leavers and have no post-school qualifications.

The Census indicates that there were approximately 1.2 million 45–59 year old early school leavers without post school qualifications in 2011. This represents a substantial decline of 8 per cent over the previous five years, having fallen from 1.3 million in the 2006 Census.

Table 5 shows that in 2011 the participation rate for 45–59 year old early school leavers without post school qualifications was 69.3 per cent, which is well below the participation rate of 88.3 per cent for those with qualifications. A comparison of employment outcomes for the different matureage cohorts is shown in Table 5.

For the purposes of this analysis, 'post-school qualifications' refer to AQF Certificate I qualifications (or equivalent) and above. 'Post-school qualifications' are synonymous with 'non-school qualifications' in this context.

See Foundation for Young Australians, 2013, How young people are faring 2013, Melbourne: Foundation for Young Australians, and the data analysis which follows.

Table 5 Employment outcomes of mature-age cohorts (45–59 year olds), 2011

Employment status	Did not complete Year 12 and does not have post-school qualifications <sup>(a)</sup>	Completed Year 12 and have post- school qualifications <sup>(a)</sup>	All 45–59 year olds <sup>(b)</sup>
Total employed	795,730	1,099,589	3,113,681
Employed full-time	491,803	777,905	2,098,230
Employed part-time	254,732	271,780	841,461
Employed (other) <sup>(c)</sup>	49,195	49,904	173,990
Total unemployed	39,957	34,892	123,934
Unemployed, looking for full-time work	26,432	23,503	83,550
Unemployed, looking for part-time work	13,525	11,389	40,384
Not in the labour force	369,606	150,771	812,117
Labour force participation rate	69.3%	88.3%	79.9%
Not in the labour force	30.7%	11.7%	20.1%
Unemployment rate	4.8%	3.1%	3.8%

Note: (a) Post-school qualifications are defined as AQF Certificate I qualifications (or equivalent) and above; (b) Total for all 45–59 year olds includes persons whose qualifications and/or level of schooling is not stated, not applicable or inadequately described; (c) Includes persons who stated they worked but did not state the number of hours worked. Source: ABS, 2011, 2011 Census of Population and Housing.

As Table 5 shows, there is a considerable gap in labour force participation between those matureage persons who completed school and have post-school qualifications (at 88.3 per cent) and those who left school early and do not have post-school qualifications (69.3 per cent). Similarly, a higher proportion is in full-time employment (at 70.7 per cent) than the lower skilled cohort (at 61.8 per cent).

Similarly, while at 4.8 per cent, the unemployment rate for lower skilled mature-age people is below the national average (at 5.6 per cent at the time of the 2011 Census), it is nevertheless higher than for either mature-age persons who completed school and have post-school qualifications (at 3.1 per cent) or the mature-age group as a whole (3.8 per cent).

Finally, the number of mature-age persons not in the labour force is more than doubled for the lower skilled cohort, at 369,606, than for those who completed school and have post-school qualifications, at 150,771.

This indicates than lower levels of formal schooling and qualifications can act as an impediment for workforce participation for mature-age persons, and that this cohort also experiences higher levels of underutilisation than do others in their age group.

While comparison to the 2006 Census shows that persons aged 45–59 who left school early and do not have post-school qualifications have experienced a small increase in labour force participation—rising from 67.2 per cent in 2006 to 69.3 per cent in 2011—this is also true of those with qualifications and broader labour market trends for this age group.

There is a disparity in employment outcomes between male and female mature-age early school leavers without post-school qualifications. The 2011 Census indicates (see Table 6) that the

proportion of females not in the labour force was significantly higher than for males (at 35.9 per cent for females compared to just under a quarter for males). In contrast, unemployment was higher for males at 5.2 per cent, than for females at 4.4 per cent.

However the biggest contrast is shown by comparing male and female employment outcomes between the two different cohorts. Mature-age males who left school early and do not have post-school qualifications have a significantly lower level of labour force participation, at 76.5 per cent, than those who completed school and have post-school qualifications, at 92.0 per cent. The same is true of females, with 64.1 per cent compared to 84.6 per cent, respectively.

For mature-aged females who completed school and have post-school qualifications, the proportion not in the labour force (15.4 per cent) is less than half that of those without (35.9 per cent). For males there is a gap of nearly 16 percentage points between mature-aged men with lower education outcomes not in the labour force (23.5 per cent) compared to only 8.0 per cent among those with higher education profiles.

Table 6 Labour force status of selected mature-age cohorts (45-59 years) by sex, 2011

Employment status		Year 12 and does nool qualifications	Completed Year 12 and have post- school qualifications <sup>(b</sup>	
	Male	Female	Male	Female
Labour force participation rate	76.5%	64.1%	92.0%	84.6%
Unemployment rate	5.2%	4.4%	3.2%	3.0%
Not in the labour force	23.5%	35.9%	8.0%	15.4%

Source: ABS, 2011, 2011 Census of Population and Housing.

Table 7 shows how the demographic characteristics of the lower skilled mature-age cohort differ from the general population aged 45–59 years. In particular:

- The mature-age cohort with a lower educational profile has a higher proportion of Indigenous persons, at 2.9 per cent compared to 0.5 per cent; and
- The mature-age cohort with a lower educational profile has a higher proportion of persons with low English language proficiency (i.e. those who do not speak English well or do not speak English at all), at 35.1 per cent compared to only 6.4 per cent of those with higher education profiles.

It should be noted that disability status and the proportion of individuals who need assistance with core needs is not readily available from the ABS data for the lower skilled mature-age cohort (45-59 year olds who left school early and do not have post-school qualifications).

Table 7 Selected demographic characteristics of mature-age cohorts (45–59 years), 2011

Characteristic	Did not complete Year 12 and does not have post- school qualifications	Completed Year 12 and have post-school qualifications <sup>(b</sup>
Indigenous (proportion of cohort)	2.9%	0.5%
Indigenous labour force participation rate	49.6%	82.4%
Non-Indigenous labour force participation rate	70.0%	88.3%
English language proficiency (proportion of cohort)		
Speaks English well or very well	64.9%	93.6%
Does not speak English well	29.1%	6.0%
Does not speak English at all	6.0%	0.4%
Labour force participation rate for those who speak English well or very well <sup>(a)</sup>	62.4%	86.3%
Labour force participation rate for those who do not speak English well or do not speak English at all <sup>(a)</sup>	42.5%	59.1%

Note: (a) Aggregate participation rate varies from Table 4 due to large number of 'not stated' responses to this question. Source: ABS, 2011, 2011 Census of Population and Housing

An even greater disparity is shown when comparing labour force participation by Indigenous status and language proficiency.

For mature-aged persons who completed Year 12 and have post-school qualifications, the Indigenous labour force participation rate is high, at 82.4 per cent, compared to only 49.6 per cent for those who did not complete Year 12 and do not have post-school qualifications.

While the labour force participation rate for Indigenous people within the higher-skilled cohort is still lower than that of non-Indigenous people (at 82.4 per cent compared to 88.3 per cent, respectively: a gap of 5.9 percentage points)—the gap in participation between Indigenous and non-Indigenous participation within the lower skilled cohort is significantly higher, at 20.4 percentage points. This indicates that low skills are a strong indicator of Indigenous people not participating in the labour force, and moreover, that the gap between Indigenous and non-Indigenous participation tends to be minimised with increased education levels.

Conversely, the 2011 Census indicates that low English language proficiency is strongly associated with low levels of labour force participation for both mature-age cohorts. Labour force participation among both the higher-skilled and lower skilled mature-age cohorts is significantly lower for individuals who do not speak English well, or who do not speak English at all, with participation rates for both groups well below the national average.

An illustration of non-employment outcomes for the lower skilled cohort by state and territory is shown in Figure 16. This indicates that New South Wales has the highest proportion not in the labour force, at 34.1 per cent, and the Australian Capital Territory has the lowest, at 26.0 per cent. Tasmania has the highest rate of unemployment for this cohort, at 2.8 per cent, while both the ACT (1.9 per cent) and Western Australia (2.8 per cent) had the lowest rate.<sup>35</sup>

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ABS, 2011, 2011 Census of Population and Housing.

Northern Territory
Victoria
South Australia
Queensland
Western Australia
Australian Capital
Territory

0.0%

10.0%

20.0%

30.0%

40.0%

Figure 16 Persons unemployed or not in the labour force for mature-age (45–59) early school leavers without post-school qualifications, by state/territory, 2011 (%)

Source: ABS, 2011, 2011 Census of Population and Housing.

Finally, a breakdown by occupational group shows that mature-age early school leavers without post-school qualifications were predominantly employed as Clerical and Administrative Workers (22.0 per cent); Labourers (19.2 per cent); and Machinery Operators and Drivers (15.5 per cent) at the time of the 2011 Census. The lowest proportions were employed as Professionals (3.2 per cent); Technicians and Trade Workers (8.0 per cent); and Community and Personal Service Workers (8.0 per cent).

Among employed mature-aged early school leavers without post-school qualifications, the most common individual occupations (at the 2 digit ANZSCO level)<sup>36</sup> were Sales Assistants and Salespersons (7.6 per cent); Road and Rail Drivers (6.9 per cent); Cleaners and Laundry Workers (6.4 per cent); and Hospitality, Retail and Service Managers (5.4 per cent).

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<sup>&</sup>lt;sup>36</sup> ABS, 2006, *Australian and New Zealand Standard Classification of Occupations (ANZSCO)*, First Edition.