



## 7.5 Income and employment for Indigenous Australians

One way in which Aboriginal and Torres Strait Islander Australians face socioeconomic disadvantage is through disparity of income. Low income is associated with a wide range of disadvantages, including poor health, shortened life expectancy, poor education, substance abuse, reduced social participation, crime and violence (AHMAC 2015). Income is also closely linked to employment status.

Besides providing income, being employed has important benefits for the health, social and emotional wellbeing of individuals, families and communities. However, job seekers often face many barriers in pursuing employment, including living with a physical or mental illness or disability, or having caring responsibilities. Indigenous Australians have, on average, lower employment rates than non-Indigenous Australians for a range of reasons. These include lower levels of education and training, living in areas with fewer employment opportunities, higher levels of contact with the criminal justice system, experiences of discrimination, and lower levels of job retention (Gray et al. 2012).

### Income

This section looks at income among people aged 15 and over. (People of this age are most likely to be earning or receiving an income, including income support payments and the aged pension). Data for Indigenous Australians are drawn from the Australian Bureau of Statistics (ABS) 2014–15 National Aboriginal and Torres Strait Islander Social Survey (NATSISS), and for non-Indigenous Australians from the 2014 General Social Survey (GSS).

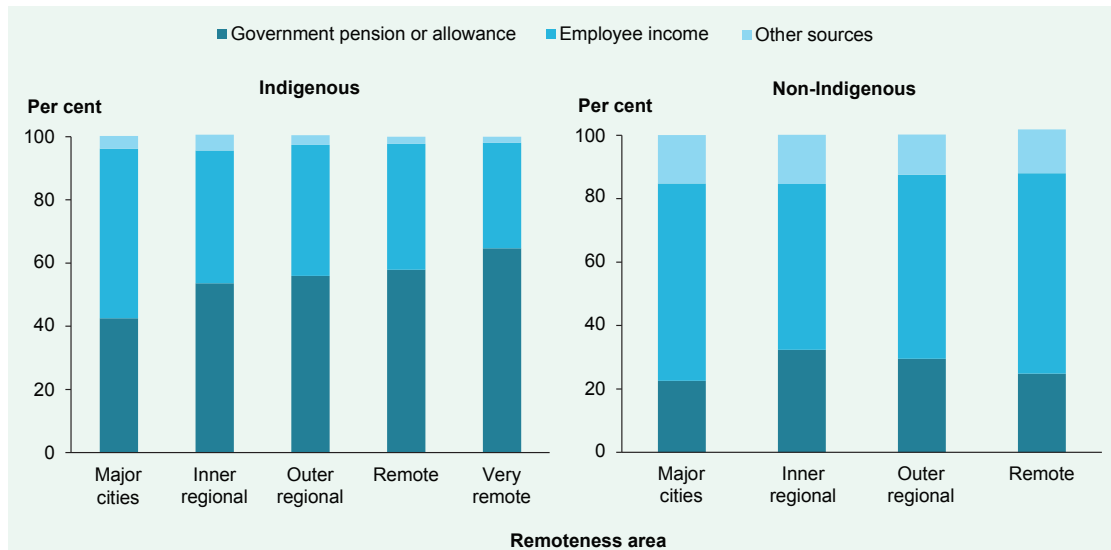
In measuring and comparing income, it is important that the number of people living in a household—particularly children and other dependants—is taken into account. To do this, reported incomes are adjusted to create a comparable measure called equivalised gross household income (see Glossary).

- In 2014–15, an estimated 36% of Indigenous people aged 15 and over had incomes in the bottom 20% of equivalised gross weekly household incomes, compared with 16% of non-Indigenous people in the same age bracket. Comparable trend data are not available for Indigenous people aged 15 and over; however, for Indigenous people aged 18 and over, the proportion with incomes in the bottom 20% of equivalised gross weekly household incomes decreased from 49% in 2008 to 37% in 2014–15. The equivalent proportion for non-Indigenous people in the same age bracket remained relatively stable over time (16% in 2008; 17% in 2014–15) (SCRGSP 2016).
- For people aged 15 and over, the median equivalised gross weekly household income of Indigenous people was lower than that for non-Indigenous people (\$556/week compared with \$831/week). The median equivalised gross weekly household income for Indigenous people aged 15 and over was also lower in *Very remote* areas (\$400/week) than in *Major cities* (\$671/week).





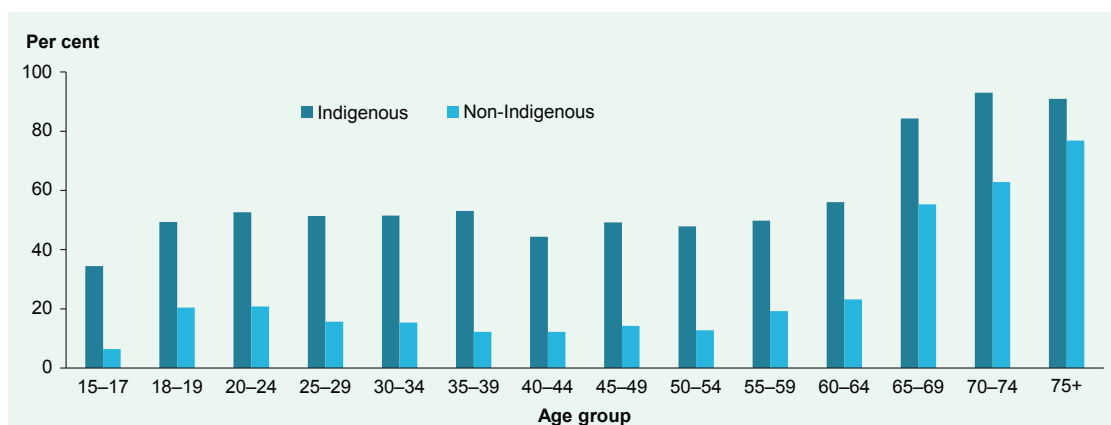
- The proportion of people aged 15 and over whose main source of income was a government pension or allowance increased with remoteness for Indigenous people but showed little variation for non-Indigenous people (Figure 7.5.1).
- A higher proportion of Indigenous people aged 15 and over received a government pension or allowance as their main source of income (52%) compared with non-Indigenous people aged 15 and over (25%). This was the case across all age groups (Figure 7.5.2).



Note: The 2014 GSS did not collect data for Very remote areas.

Source: AIHW analysis of ABS 2014 GSS (TableBuilder); AIHW analysis of ABS 2014-15 NATSISS (TableBuilder).

**Figure 7.5.1: Main source of income, people aged 15 and over, by Indigenous status and remoteness area, 2014-15**



Source: AIHW analysis of ABS 2014 GSS (TableBuilder); AIHW analysis of ABS 2014-15 NATSISS (TableBuilder).

**Figure 7.5.2: Government pension or allowance as the main source of income, people aged 15 and over, by Indigenous status and age group, 2014-15**





## Income support

The Department of Social Services compiles Centrelink data on the number of recipients of various Centrelink income support payments and supplements. These data do not include payments made by the Department of Veterans' Affairs. In this section, 'income support payments' are defined as those that cannot occur concurrently, to avoid double counting. These payments include ABSTUDY, the Age Pension, the Disability Support Pension, The Carer Payment, Newstart Allowance and Youth Allowance. People receiving income support payments may also be receiving other allowances or supplements, such as the Carer Allowance or Family Tax Benefit.

At the end of the June quarter of 2016, around 45% of Indigenous Australians aged 15 and over (220,800 people) were receiving some form of Centrelink income support payment, compared with 26% of non-Indigenous Australians of this age (4.9 million people). Though the number of people receiving support payments has grown—from around 209,000 Indigenous Australians and 4.8 million non-Indigenous Australians at the end of June 2014—the proportions of the Indigenous and non-Indigenous populations receiving payments has not changed over this time (AIHW analysis of ABS 2014; DSS 2016).

The most common income support payments received by Indigenous Australians were Newstart Allowance, the Disability Support Pension and the Parenting Payment (Table 7.5.1).

**Table 7.5.1: Main Centrelink income support payments received by Indigenous Australians, June quarter 2016**

| Income support payment  | Number of recipients <sup>(a)</sup> | % of reference Indigenous population | Reference Indigenous population <sup>(a)</sup> |
|---|-------------------------------------|--------------------------------------|--|
| Newstart Allowance  | 68,500                              | 19.3                                 | 354,900 (aged 22–64)                           |
| Disability Support Pension  | 47,400                              | 10.2                                 | 447,600 (aged 16–64)                           |
| Parenting Payment   | 44,400                              | 9.6                                  | 463,500 (aged 15–64)                           |
| Youth Allowance   | 18,800                              | 13.9                                 | 134,800 (aged 16–24)                           |
| Age Pension   | 18,200                              | 58.7                                 | 31,000 (aged 65+)                              |
| Carer Payment   | 13,400                              | 2.9                                  | 463,500 (aged 15–64)                           |
| ABSTUDY (Living Allowance)  | 8,900                               | 1.9                                  | 463,500 (aged 15–64)                           |
| <b>Total receiving Centrelink income support payments<sup>(b)</sup></b> | <b>220,800</b>                      | <b>44.6</b>                          | <b>494,500 (aged 15+)</b>                      |

(a) Rounded to nearest hundred.

(b) Columns do not add to total as 'Total receiving Centrelink income support payments' includes other payment types not listed in the table.

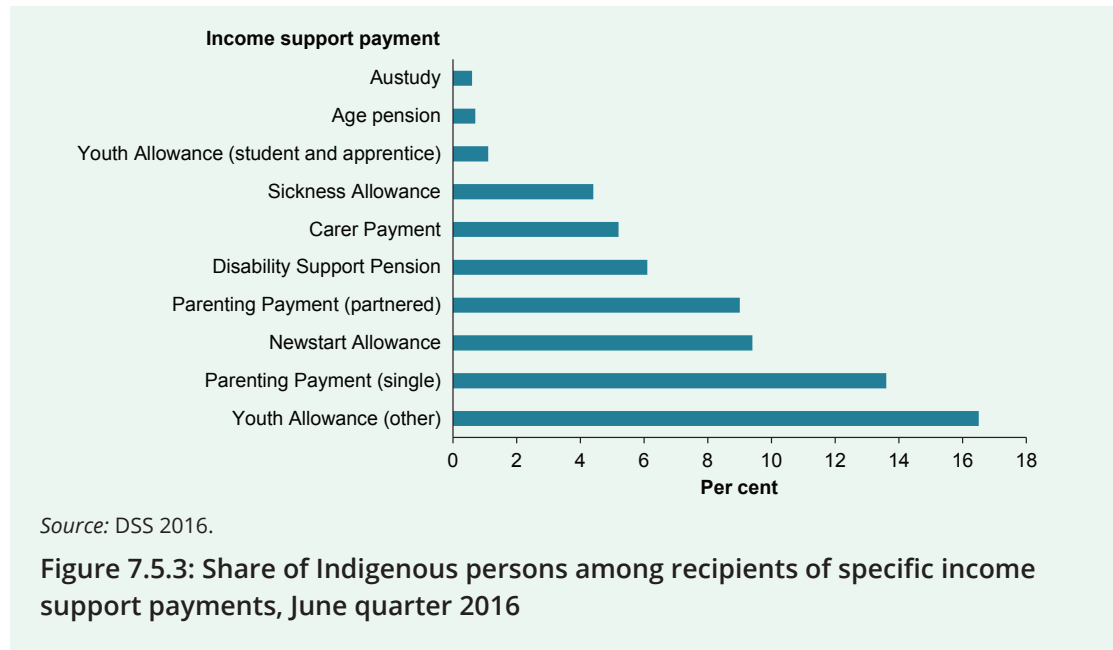
Sources: AIHW analysis of ABS 2014; DSS 2016.

Centrelink data on income support recipients confirm that Indigenous Australians are more likely than non-Indigenous Australians to rely on government payments as their main source of income. These data show that almost 17% of recipients of Youth Allowance (other than student/apprentice), almost 14% of recipients of the single Parenting Payment, and around 9% of recipients of the Newstart Allowance and the partnered Parenting Payment were Indigenous Australians (Figure 7.5.3).





The comparatively low proportions of recipients of Austudy and the student and apprentice Youth Allowance who are Indigenous are due to the availability of ABSTUDY, which is an alternative payment specifically for Indigenous students.



## Employment

The labour force comprises all people who are employed (people who have worked for at least 1 hour in the reference week) or unemployed (people who are without work, but have actively looked for work in the last 4 weeks and are available to start work). The remainder of the population is not in the labour force.

According to the ABS 2014–15 NATSISS and the ABS 2014 Survey of Education and Work, among people aged 15–64:

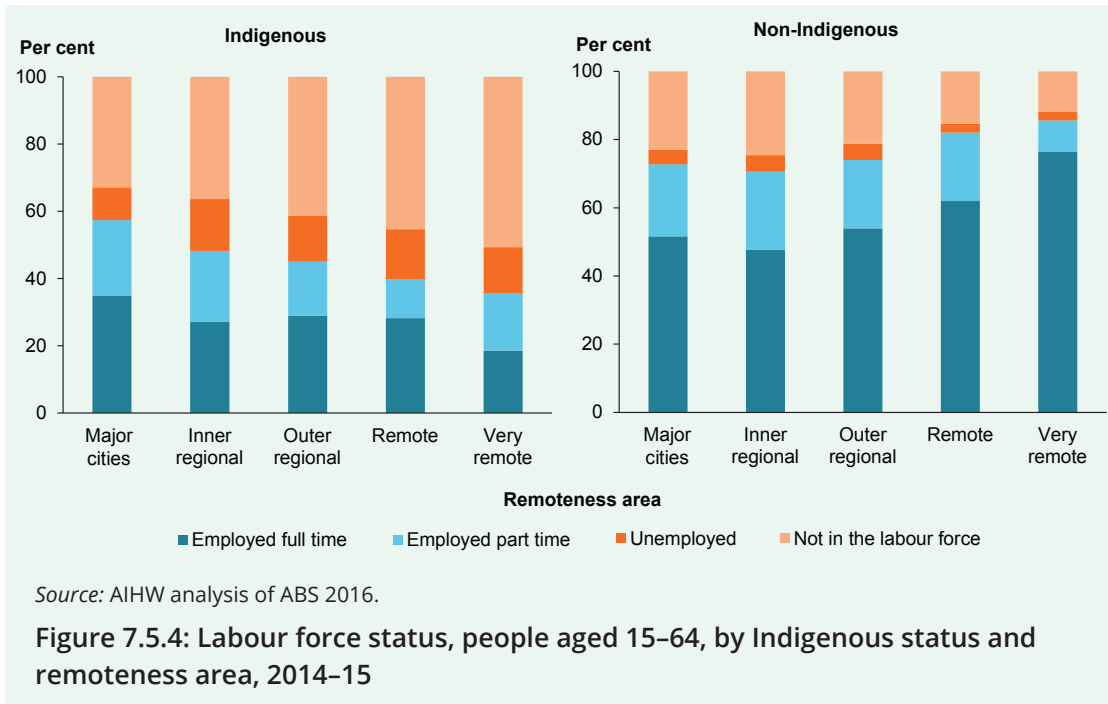
- 61% of Indigenous Australians were in the labour force, compared with 77% of non-Indigenous Australians
- the proportion of employed Indigenous Australians decreased with remoteness, but the proportion of non-Indigenous Australians employed in remote areas was higher than in non-remote areas (Figure 7.5.4)
- the Indigenous unemployment rate (number of people unemployed as a proportion of people in the labour force) was 21% overall—it was lowest in *Major cities* (15%) and highest in *Very remote areas* (28%) (ABS 2016)
- most (92%) Indigenous Australians who were unemployed reported having had difficulties in finding work. The most commonly reported difficulties were that there were no jobs available; there were transport problems; they had no driver's licence; and had insufficient education, training or skills (AIHW analysis of ABS 2014–15 NATSISS (TableBuilder)).

Between 2004–05 and 2014–15, the proportion of Indigenous Australians aged 15–64 in the labour force remained relatively stable (60–65%) (SCRGSP 2016).





Australia's welfare 2017



Changes in Indigenous community employment programs mean that much of the 2014–15 Indigenous employment information is not comparable with that collected in the 2008 NATSISS (ABS 2016). In 2008, Indigenous people in communities could access the Community Development Employment Projects (CDEP) scheme; they received wages, and were classified in the 2008 NATSISS results as employed. In July 2013, the CDEP was replaced by the Remote Jobs and Communities Program; people accessing this program received income support payments and were classified in the 2014–15 NATSISS results as either unemployed or not in the labour force, depending on whether they were actively looking for work.

Excluding CDEP participants from the 2008 data provides comparable information about the proportion of Indigenous people aged 15–64 who were employed. These data suggest that there has been no change in the Indigenous employment to population ratio, which was 48% in both 2008 and 2014–15.

The Closing the Gap target for employment set by the Council of Australian Governments aims to halve the gap in employment between Indigenous and non-Indigenous Australians within a decade (by 2018). This target is not on track, with Indigenous employment rates (excluding CDEP participants) remaining stable at 48% and non-Indigenous employment rates falling slightly from 75.0% in 2008 to 72.6% in 2014–15 (PM&C 2017).





## Main occupations and industry of employment

Data from the 2014–15 NATSISS show that the main occupations of employed Indigenous Australians aged 15 and over were as community and personal service workers (21%), followed by technicians and trades workers (16%), general labourers (16%) and professionals (13%). Only 6.2% listed their occupation in their main job as managers. For the non-Indigenous employed population aged 15 and above, data from the 2014 GSS show that the most common occupation was professionals (22%), followed by clerical and administrative workers (15%), technicians and trades workers (14%) and managers (14%). Less than 20% of employed Indigenous Australians aged 15 and over worked as managers or professionals, compared with 36% of non-Indigenous Australians (AIHW analysis of ABS 2014–15 NATSISS (TableBuilder) and AIHW analysis of ABS 2014 GSS (TableBuilder)).

The main industry or sector of employment for Indigenous Australians aged 15 and over was health care and social assistance (15%), followed by public administration and safety (11%). Three other sectors each had around 9% of total Indigenous employment (construction, accommodation/food services, and retail trade), with the mining sector accounting for a further 3.1% of employed Indigenous persons aged 15 and over in 2014–15 (AIHW analysis of ABS 2014–15 NATSISS (TableBuilder)).

## Indigenous participation in the community services workforce

The provision of community services depends on having an adequate, accessible and skilled workforce. The community services workforce comprises people in paid employment who provide services such as personal and social support, child care, and special education services. This is complemented by the assistance of family members, other informal carers, and volunteers.

There is no agreed definition of which occupations make up the community services workforce. This chapter uses the definition outlined in Box 7.5.1, which was developed for *Australia's welfare 2013* in consultation with relevant Australian Government departments.

According to the 2014–15 NATSISS and the 2014 GSS:

- an estimated 35,200 Indigenous Australians aged 15 or over worked in community services occupations, accounting for 3.7% of all community services workers
- the largest community services occupation group for Indigenous Australians was education aides (an estimated 7,000 workers), followed by welfare support workers (4,900) and aged and disabled carers (4,700) (Figure 7.5.5)
- Indigenous Australians are more likely than non-Indigenous Australians to be employed in the community services workforce. In 2014–15, 7.9% of the Indigenous population aged 15 or over was employed in community service occupations, compared with 5.0% of the non-Indigenous population of this age
- around 1 in 6 (17%) Indigenous Australians who were employed in 2014–15 were part of the community services workforce, compared with around 1 in 13 (7.8%) non-Indigenous employed people (AIHW analysis of ABS 2014–15 NATSISS (TableBuilder) and AIHW analysis of ABS 2014 GSS (TableBuilder)).





## Box 7.5.1: Community services occupations

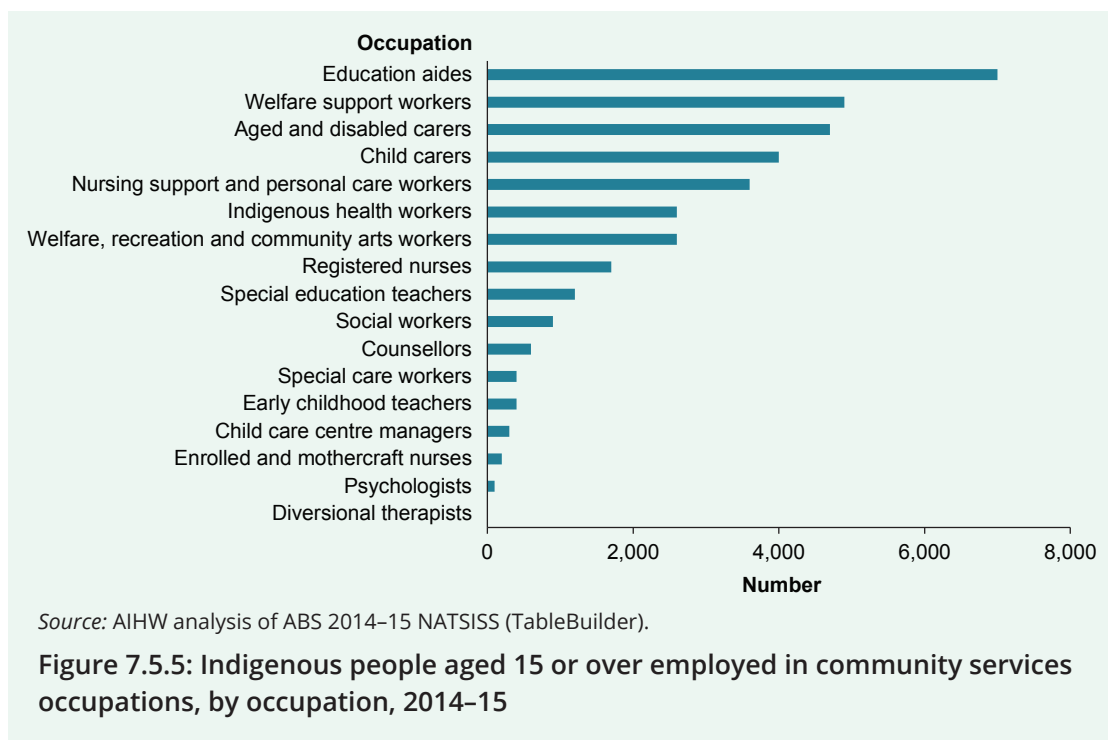
For the purposes of this chapter, 17 occupations are considered to be community services occupations, based on the Australian and New Zealand Standard Classification of Occupations (ANZSCO) (ABS 2013). These are:

- child care centre managers
- child care workers
- education aides
- early childhood (pre-primary school) teachers
- special education teachers
- registered nurses
- enrolled and mothercraft nurses
- nursing support and personal care workers
- Indigenous health workers
- counsellors
- psychologists
- social workers
- welfare support workers
- aged and disabled carers
- special care workers
- welfare, recreation and community arts workers
- diversional therapists.

This definition does not include some relevant occupations due to the absence of relevant categories in the ANZSCO (for example, employment services workers).







## Where do I go for more information?

Data on income and employment among Indigenous Australians are available in [The health and welfare of Aboriginal and Torres Strait Islander peoples: 2015](#) and the [Aboriginal and Torres Strait Islander Health Performance Framework](#).

## References

ABS (Australian Bureau of Statistics) 2013. ANZSCO—Australian and New Zealand Standard Classification of Occupations. Version 1.2. ABS cat. no. 1220.0. Canberra: ABS.

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