



## SNAPSHOT

## 2.2 Labour force participation in Australia

Participation in the labour force and unemployment rates highlight key trends in labour force characteristics in Australia. The labour force participation rate is the number of people in the labour force (persons employed or unemployed) as a percentage of the total civilian population. The unemployment rate is the number of unemployed people (those not working and actively looking for work) as a percentage of the labour force (employed plus unemployed).

### Labour force participation rates

According to Australian Bureau of Statistics (ABS) measures, labour force participation rates for Australians aged 15 and over rose from an annual average rate of 60.4% in 1983 to 65.5% in 2008, and have since fallen to 64.7% in 2014.

An increase in female participation played a particular role in the overall increase, with female labour force participation rising steadily from 43.6% in 1979 to a peak of 58.9% in 2011. Female participation in 2014 was 58.6%. The male participation rate declined from 78.4% in 1979 to 71.0% in 2014 (ABS 2015). Australia ranks 11th out of 34 OECD countries for labour force participation (OECD 2014).

### Unemployment rates

The highest rates of unemployment since 1979 were in the early 1990s when they peaked at 10.9%. After that, they fell to a 35-year low of 4.2% in 2008, immediately before the Global Financial Crisis (GFC). Following the GFC, the rate increased to 6.1% in 2014 (Figure 2.2.1). Youth unemployment followed similar trends to overall unemployment though young Australians have been particularly affected by unemployment with an average unemployment rate of 13.3% for 15–24 year olds in 2014. The gap between the youth unemployment rate and the overall unemployment rate was greatest in the early 1990s (8.6 percentage points higher than the overall rate) and lowest in 2008 at 4.6 percentage points higher.

At the start of the 1980s and the 1990s the overall unemployment rate increased rapidly then declined. During these periods, youth unemployment tended to increase faster than overall unemployment, leading to an increasing gap in the rates. This gap then declined as the overall unemployment rate declined. The gap between youth and overall unemployment also increased following the GFC as overall unemployment increased, and has continued to increase. In 2014 the gap reached 7.2 percentage points, more than 1.6 times the gap in 2008 (Figure 2.2.1) (see Chapter 4 'Transitions to independence').

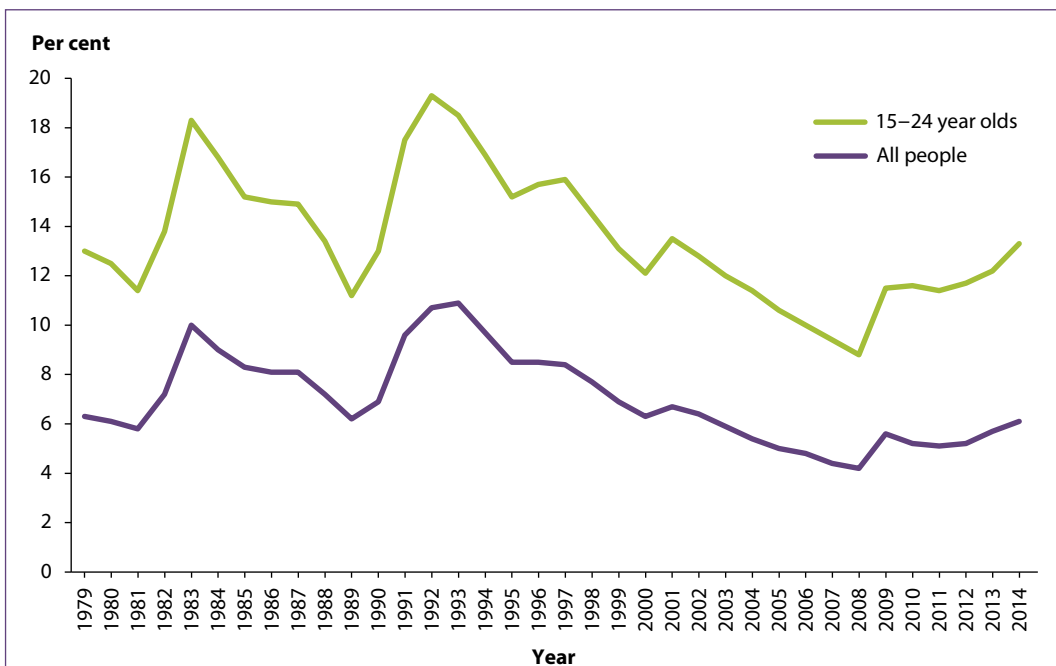
### Changing labour force

On average, Australians worked fewer hours each week in 2013 (32.0 hours) than they did in 2003 (33.8) or 1993 (34.4). The fall in average working hours coincided with the increase in female labour force participation, with 45.9% of employed women working part-time compared with 16.8% of employed men. The fall in average hours worked also coincided with a drop in full-time average weekly hours worked, from 40.3 in 1993 to 38.9 in 2013 (ABS 2014).

The labour force is also ageing. The proportion of the labour force aged 55 or over increased from a low of 8.6% in 1993 to a high of 17.4% in 2014 (Figure 2.2.2) (See Chapter 5 'Older Australians staying at work'). The proportion of the labour force aged between 15 and 24 declined steadily from a peak in 1980 of 27.4% to 16.8% in 2014. This coincided with an increase in the proportion of people aged 15 to 24 in full-time education, and not in the labour force, from 20.7% in 1987 to 26.5% in 2014. (AIHW analysis of ABS 2015).

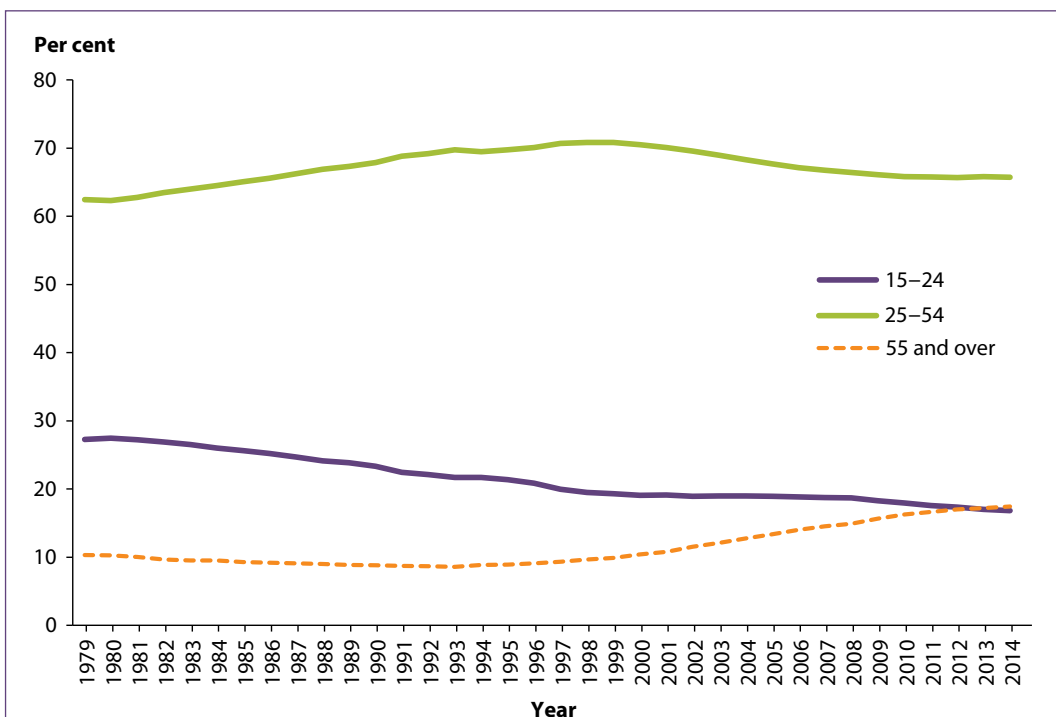


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Source: AIHW analysis of ABS data (ABS 2015).

**Figure 2.2.1: Annual average unemployment rates, 1979–2014**



Source: AIHW analysis of ABS data (ABS 2015).

**Figure 2.2.2: Labour force by age group, 1979–2014**



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### Aboriginal and Torres Strait Islander labour force

In 2012–13, 3 in 5 Aboriginal and Torres Strait Islander people aged 15–64 years (60%) were participating in the labour force.

The overall unemployment rate was 21%. As with the total population, unemployment rates were highest for young Aboriginal and Torres Strait Islander people (31% of those aged 15–24 years). Unemployment rates were lowest for those aged 55–64 years (9%).

The unemployment rates did not differ markedly for Aboriginal and Torres Strait Islander people in non-remote and remote areas (21% compared with 20%), or between males (22% in both non-remote and remote areas) and females (20% in non-remote areas and 18% in remote areas) (ABS 2014a).

#### What is missing from the picture?

The data sources relating to unpaid work are far less developed than for the paid labour force; it is therefore difficult to know how the trends outlined above relate to trends in unpaid work (such as volunteers, carers and people performing household duties).

#### Where do I go for more information?

For detailed labour force data, including data on underemployment (which is also relevant to understanding labour force participation), visit the [ABS website](#).

#### References

ABS (Australian Bureau of Statistics) 2014. Labour statistics in brief, Australia, 2014. ABS cat. no. 6104.0. Canberra: ABS.

ABS 2014a. Australian Aboriginal and Torres Strait Islander Health Survey: updated results, 2012–13. ABS cat. no. 4727.0.55.006. Canberra: ABS.

ABS 2015. Labour force, Australia, detailed—electronic delivery, December 2014. ABS cat. no. 6291.0.55.001. Canberra: ABS.

OECD (Organisation for Economic Co-operation and Development) 2014. LRS by sex and age—indicators. Paris: OECD. Viewed 19 September 2014, <[http://stats.oecd.org/Index.aspx?DatasetCode=LFS\\_SEXAGE\\_I\\_R](http://stats.oecd.org/Index.aspx?DatasetCode=LFS_SEXAGE_I_R)>.