



Improving employment prospects for Indigenous Australians

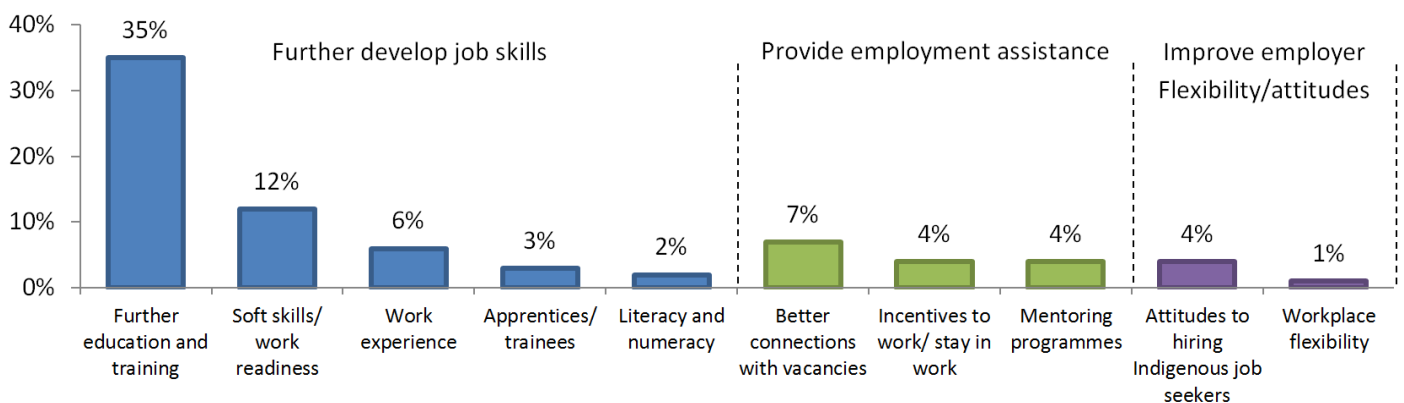
According to the Australian Bureau of Statistics (ABS), Aboriginal and Torres Strait Islander people aged 15–64 years are around half as likely to be employed as non-Indigenous persons.¹ Many employers have highlighted the need to improve the engagement of Indigenous persons with the labour market and reduce staff turnover amongst Indigenous workers.²

Employers' suggestions

To help identify how this gap might be reduced, more than 1000 employers in three regions with large Indigenous populations were asked what could be done to improve the employment prospects of Indigenous Australians.³

Just over half of responding employers identified the importance of developing work related skills, including formal education and training such as undertaking an apprenticeship or traineeship, soft skills (for instance, communication skills, presentation and confidence) and basic literacy and numeracy.⁴ Some employers also emphasised the importance of gaining some basic work experience.

Figure 1: Employers' suggestions for improving Indigenous employment prospects⁵



A significant proportion of responding employers proposed some form of employment assistance. Suggestions included improving the connection between Indigenous job seekers and local employers and vacancies, providing incentives to Indigenous persons to stay in work, and mentoring programmes, perhaps with local Indigenous elders, to help maintain Indigenous workers' connection with employment.

Improving employer attitudes towards hiring Indigenous job seekers and providing greater workplace flexibility were also suggested. To this end, some employers explained that Indigenous employment prospects could be improved if employers increased their cultural awareness or revisited their willingness to employ Indigenous job seekers.

¹About 48 per cent of Indigenous 15-64 year olds were employed, compared with 77 per cent of non-Indigenous people. After adjusting for the different age structures of the populations, the ABS found that Indigenous people were around half as likely to be employed as non-Indigenous people. Source: ABS, *Australian Aboriginal and Torres Strait Islander Health Survey: Updated Results, 2012-13* (cat. no. 4727.0.55.006).

²About one third of employers identified the importance of improving the labour market engagement of Indigenous people and/or their work availability, reliability and retention.

³The question was asked as part of the Department of Employment's *Surveys of Employers Recruitment Experiences*. This report is based on survey results for Rockhampton (surveyed in July 2013), Cairns (July 2013) and Alice Springs (August 2013).

⁴While only 2 per cent of employers specifically mentioned *literacy and numeracy*, the benefits to many Indigenous job seekers in developing these skills is likely to have contributed to the high number of responses for *further education and training*.

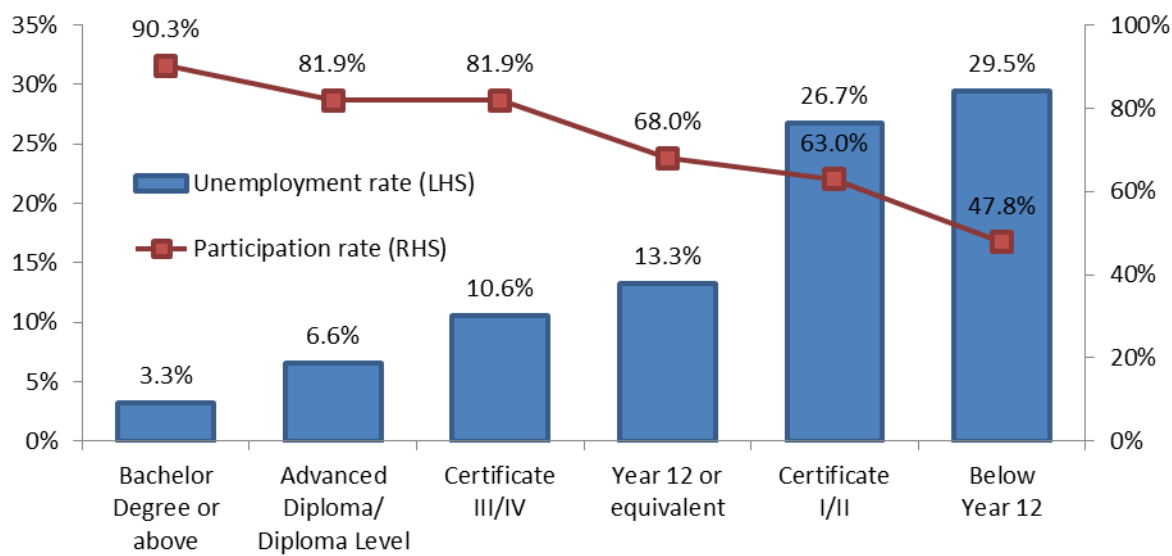
⁵Results in Figure 1 are based on the 53 per cent of employers who provided suggestions. Some 27 per cent of employers were unsure, while only a small proportion (3 per cent) declined to answer the question at all. The remainder of employers surveyed either said that nothing needed to be done or said that they could not provide informed suggestions as they did not receive many or any Indigenous applicants. In some instances responses are coded to multiple categories.

Attachment 1: The positive impact of education on labour market outcomes

In line with employers' suggestions emphasising the importance of further education and training, *Figure 2* shows that Indigenous employment prospects improve greatly as educational attainment increases. In particular, Indigenous persons who completed Year 12 had far better labour market outcomes compared with those who had not.

Rates of unemployment and labour market participation continue to improve with higher levels of post-school attainment.⁶ For instance, at the time of the 2011 Census, Indigenous persons aged 25-34 with a Bachelor Degree or higher recorded an unemployment rate of just 3.3 per cent and a labour market participation rate of 90.3 per cent.

Figure 2: Educational attainment and labour market outcomes for Indigenous persons aged 25-34 years, Australia⁷



⁶ The participation rate in Figure 2 reflects the proportion of the population aged 25-34 who are either working or actively looking for work. The unemployment rate refers to those actively looking, and available, for work as a proportion of the labour force (employed and unemployed).

⁷ Source: ABS, *Census of Population and Housing, 2011*. Figures are based on the highest level of education achieved for those who identified as Indigenous in the 2011 Census. The 25-34 year old age group provides labour market outcomes for those likely to have recently completed formal education (although it is important to note that there is a relatively small minority of people who will attain their highest level of education above the age of 34).