Summarising: Hunter (1996), *The determinants of Indigenous employment outcomes: the importance of education and training*
Responsibility for the preparation of this research summary rests with the authors of the MCEETYA report *Education, Training and Indigenous Futures: CAEPR Policy Research 1990–2007* and not the original author(s) of the summarised material.

Title of Research:
The determinants of Indigenous employment outcomes: the importance of education and training

Research Publication:

Name of Researcher(s):
B.H. Hunter

Time period:
1994

Geographic location:
Australia wide, with information provided for major urban, other urban and rural regions.

Methodology:
A statistical analysis of the 1994 ABS National Aboriginal and Torres Strait Islander Survey (NATSIS), focusing upon the following variables: level of schooling completed, post-school qualifications, English speaking, age, family characteristics, place of residence, interaction with the justice system and health. The study also differentiated between employment and mainstream employment (that is, excluding CDEP).

Aims:
This paper aims to investigate the relationships between employment and several social factors, including arrest and health, as well as quantifying the effect of the major determinants of employment, including education, training, demography and geography.

Selected findings and insights:
This paper represents one of the first attempts to analyse the relationships between social factors such as arrest and health on employment and to quantify the impact of the above range of social, socio-economic, demographic and geographic variables upon Indigenous employment and thus provides an important benchmark study.

Education variables were the largest single factor influencing Indigenous mainstream employment:

- completing school to Year 10 or Year 11 increased the person’s chance of being in employment relative to a person without any education by around 40%;
- completing Year 12 further improved the chance of being in employment by 14.4% for females, and 9.8% for males;
- having a qualification increased the chances of mainstream employment by between 15% and about 22%, depending on qualification and sex; and
- doing any study or training courses in the last year also significantly increased the chances of being employed — by 11.7% for males and by 12.8% for females.

Age was a significant influence upon employment with, as might be expected, employment prospects increasing up to the prime age group of 25–44 years and then falling away.
As in the community at large, the presence of children tended to reduce the employment prospects of females who bear the major responsibility for child-rearing. Their probability of employment decreased as the number of children increases. Indigenous males with only one child were actually more likely to secure employment than those without children. However, the presence of large numbers of children tended to reduce male employment prospects.

Recent arrest was related to a reduction in the chances of employment by 26.5% and 25.8% for males and females respectively.

- However it was not clear whether recent arrest reduced employment prospects or poor employment prospects increased the likelihood of arrest.

Having a long-term health condition also had a significant negative relationship with Indigenous employment outcomes for males, producing a significant reduction of 5.8% in the chances of mainstream employment. While the relationship between health and employment was not as large as for the other variables, it is potentially very important for older Indigenous people who have particularly poor health.

- The paper points out the difficulties in measuring the impact of the health variable and notes the need for further research.

Educational implications:

The paper draws some significant educational implications from the research and associated literature, as noted in the following excerpt:

- Notwithstanding the strong association between Indigenous employment and education, it is possible that some, or even conceivably all, of this association is due to employers’ use of education as a screening device. That is, if employers use education to identify those people with high ability, then the measured association merely reflects that fact. However, even if education is merely a screening device it can be considered a valuable method of identifying potentially productive workers. For example, if education is a screening device and Indigenous workers have a similar distribution of ability to that observed in the non-Indigenous population, the low levels of education means that Indigenous workers are currently being undervalued by employers. Therefore increasing education will redistribute employment towards Indigenous workers as employers recognise their true ability [policy].

Relevance:

Introductory Topic: The Health of Indigenous Australians

Domain 5: Pathways to Training, Employment and Higher Education

Access to post-compulsory schooling, training, employment and higher education

Related papers:
