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Summarising: Taylor (2005), *Tracking Change in the Relative Economic Status of Indigenous People in New South Wales*
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:
Tracking Change in the Relative Economic Status of Indigenous People in New South Wales

Research Publication:
CAEPR Discussion Paper No. 277/2005

Name of Researcher(s):
J. Taylor

Time period:
1996 - 2003

Geographic location:
New South Wales

Methodology:
An analysis of 2001 Census, other ABS survey data and data from the Steering Committee for the Review of Government Service Provision (2005) in terms of socio-economic variables such as employment, income, housing status, education and training, health status and interaction with the criminal justice system. Population projections for the period 2001-2009 are also developed.

Aims:
The paper aims to portray the economic status of Indigenous people in New South Wales in order to provide a valuable source of information to:

- promote a discussion about the needs, aspirations and capacities for participation of Indigenous people in the NSW mainstream economy; and
- establish firm benchmarks upon which to measure change arising from policy initiatives which may be taken by Commonwealth or State governments.

Selected findings and insights:

Demography
In 2001, the estimated residential Indigenous population of New South Wales was 134,888 Indigenous people of whom 42% resided in the major cities, just over 50% resided in either inner or outer regional areas and 6% in remote or very remote areas of the state.

- The Indigenous age profile was much younger than the total NSW population – due to a higher (yet declining) fertility rate and a relatively high adult mortality (20 years less life expectancy) when compared to the non-Indigenous population.

The total Indigenous population was projected to increase to 153,454 by 2009 (an increase of 13.8%), with the major increase in the 15-24 year old age group.
Employment

The paper estimates that the Indigenous employment rate, in terms of mainstream employment (that is, excluding CDEP) and based upon revised estimates of the working age population was 34.1%, compared to 58.2% for the non-Indigenous working age population. Including CDEP, the employment rate increased to 40.1%.

- The Indigenous unemployment rate was relatively high (12% compared to 4% for non-Indigenous Australians) and a greater percentage were outside the labour force (47% of Indigenous adults compared to 37% of non-Indigenous).

- To maintain the 2001 levels of employment, an additional 7,000 jobs would be required by 2009 to meet working age population growth. An additional 24,500 jobs would be required to be created and filled to reach parity with non-Indigenous employment rates for New South Wales.

Indigenous workers were over-represented, compared to non-Indigenous workers, in industries such as government administration, education, health and community services and personal and other services — reflecting both CDEP opportunities and jobs that provide customised services to Indigenous communities. However the overall level of industry segregation was less than for Australia as a whole.

The level of occupational segregation was also significant, with Indigenous workers concentrated in low income generating occupations and not as frequently found in managerial or professional occupations as non-Indigenous workers. However the level of occupational segregation was less than in Australia as a whole, reflecting greater access to Australia’s largest and most complex labour market, including the private sector.

Education and training

The paper provides education and training performance measures to assess the extent to which Indigenous working-age populations were sufficiently well skilled to compete with non-Indigenous workers in the labour market. For example, compared to NSW as a whole, the Indigenous population was characterised by:

- Low retention rates to Year 12 (30% compared to 71%, in 2003);
- Percentage of Year 5 students achieving benchmarks (e.g. about 75% compared to 92% for reading and numeracy);
- Relative lack of school completion to Year 12 for the adult population (19% compared to 44%); and
- A greater proportion without any non-school qualification (80% compared to 58%).

Such high deficits in skills (that is, human capital) reduced the chances of effectively competing in the labour market with non-Indigenous job seekers.

Economic impacts of health status

The median age at death, 60 years for Indigenous males and 65 years for Indigenous females in NSW, and high morbidity rates commencing in young adulthood and rising throughout the prime working age, limit prolonged and full participation in the workforce, and therefore meaningful and sustained economic activity.

- as many as 38% of Indigenous adults in NSW reported having a disability or long term health condition.
- furthermore those who were ‘fit’ may have had caring responsibilities which limited their involvement in the labour market.
All other things being equal, if the Indigenous population of NSW in 2001 had a mortality profile fixed and equivalent to that of the general population they would have received an additional $397 million in income over their collective lifetime. This income effect of poor health and associated higher mortality represents no small loss given that the overall estimated gross personal income for the Indigenous population of NSW in 2001 was $1.2 billion.

*Interaction with the criminal justice system*

One link between recidivism and economic status is the degree to which convictions and interaction with police, courts and prisons reduce individual chances of participating successfully in education, training, and the labour market. In NSW:

- between 15.4% and 19.4% of Indigenous adults aged 15 years and over were arrested at least once by police over the five year period prior to the 2002 NATSISS survey. This interaction with the criminal justice system commenced mostly in the teenage years.

- for males court appearances were high, involving as much as 41% of males aged 20 to 24 years. Overall, around one-quarter of Indigenous adults aged between 20 and 34 years appeared in a New South Wales criminal court in 2001.

- only a minority of all those appearing in court in 2001 (17% of Indigenous males and 27% of Indigenous females) had no previous court appearance in the previous five years.

- the rate of Indigenous imprisonment in New South Wales was 17 times higher than that recorded for non-Indigenous adults; periodic detention was six times higher, and the rate of community correction orders was 13 times higher.

*Educational implications*

The importance of this type of analysis for education authorities is that it highlights the importance of addressing the development of effective pathways to Indigenous employment within a much broader framework than solely concentrating upon skill development. Rather it calls for a more integrated service delivery approach within Indigenous communities, including urban communities, that articulates a targeted and coordinated delivery of education, health and justice programs to Indigenous peoples, especially the young and those of working age. The analyses presented in this paper point to the magnitude of the task ahead for both Indigenous communities and government agencies if parity is to be achieved between Indigenous and non-Indigenous people living in NSW.
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