



The Brotherhood's Social Barometer

The working years

Australia's working age population is the engine room of the national economy. Our workers produce the goods and services that fuel our incomes and national wealth and their taxes support government spending on health and aged care, the social safety net and education. The last 15 years have been particularly good to most Australians of working age.

Yet too many people are missing out on sharing in our national prosperity. Around one million Australians remain unemployed or underemployed. Australia's educational attainment lags behind many culturally similar countries, and people with lower levels of education are much more likely to be unemployed or not participate in the labour market. At the same time, a number of pervasive health problems, including mental illness, affect the working age population.

Overcoming the social and economic disadvantages faced by a considerable number of people of working age is one of Australia's most urgent policy priorities. This is critical to maximising the economic and social participation of all Australians if we are to further strengthen our overall prosperity and community well-being over the next decade.

In this third Social Barometer, the Brotherhood of St Laurence examines the extent of disadvantage among Australia's working age population in eight key dimensions of life. Each dimension reflects basic capabilities and opportunities that every person should enjoy, including good physical and mental health, education, training and employment, freedom from violence and abuse, participation in the community and access to adequate economic resources and housing.

1. Employment

Undertaking paid work is central to the well-being of most people of working age. Employment generates income, which is needed to purchase essential goods and services such as food, shelter and health care, as well as providing for greater recreational and leisure

activities. Just as important are employment's intrinsic benefits. Having paid work contributes to a person's sense of identity and self-esteem.

Sustained economic growth has provided most working-age Australians with greater opportunities to achieve better employment outcomes.

- The labour force participation rate (at 76 per cent of working age adults) is at an all-time high.
- Employment growth has been so strong that in mid-2007, the unemployment rate is at its lowest level in 32 years.

However, not all working age Australians are sharing these good times:

- Although the unemployment rate is low, hundreds of thousands of people remain jobless. Hundreds of thousands more are employed but do not have enough work—underemployment is as prevalent as unemployment.
- Unemployment remains concentrated in particular locations, and is particularly acute in public housing estates.
- The overall level of labour 'underutilisation' is far higher than the official unemployment rate suggests. Latest figures show that more than 10.6 per cent of the working age labour force are underutilised.

2. Education and training

Education and training are investments in human capital, which is one of the principal influences on Australia's economic growth and prosperity. For individuals, the skills they acquire influence their chances of getting and retaining a job that is fulfilling and financially rewarding. Opportunities for education and training affect personal well-being, and have flow-on effects in areas such as physical and mental health, housing, economic resources and social participation.

Research shows that:

- A divide is emerging within the working age population: while a growing number of Australians have a bachelor degree, a significant number of others lack any non-school qualification.
- A larger percentage of those with limited education are unemployed or not in the labour force than of those with higher qualifications (see Figure 1).
- Indigenous Australians' high school completion rate is less than half that of non-Indigenous Australians.
- Indigenous Australians are much less likely to have post-secondary school education such as a university degree, a diploma or advanced vocational qualifications.

3. Economic resources

Access to economic resources helps to maintain access to good quality housing, services to support good physical and mental health, and education opportunities. This in turn supports individuals to be strongly engaged in the labour market, generating a consistent income stream. In addition, adequate income and assets are necessary to engage in recreational and leisure activities and to deal with unexpected emergencies. Limited economic resources increase the likelihood of financial stress, contributing to physical and mental health problems.

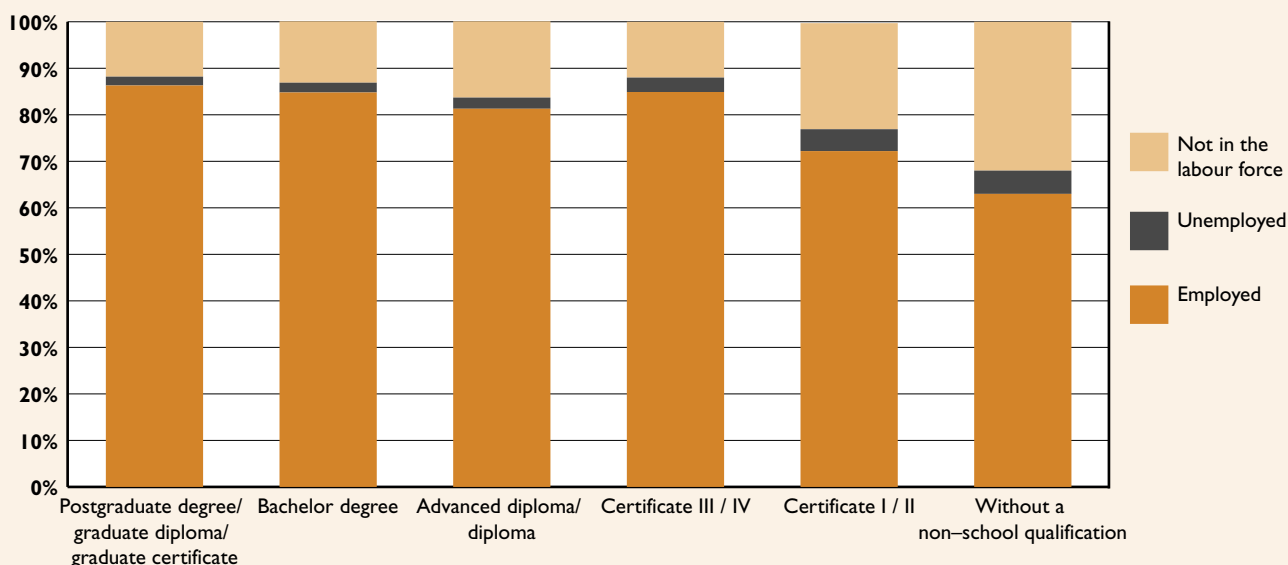
There is evidence that:

- The extent of relative poverty has been increasing over the last two decades in Australia as income distribution has become more unequal.
- Some 30 per cent of those in the lowest income quintile are unlikely to be able to raise \$2000 in a week for an emergency.
- Income poverty is more prevalent amongst some population groups, including Indigenous Australians and lone parents with dependent children.
- Wealth is distributed much more unevenly than income, with the net worth of the wealthiest Australians averaging 54 times the net worth of the poorest Australians (see Figure 2).
- In 2003–04, over 1 million Australian households reported both low income and low wealth (in the bottom 30 per cent on both indicators).

4. Housing

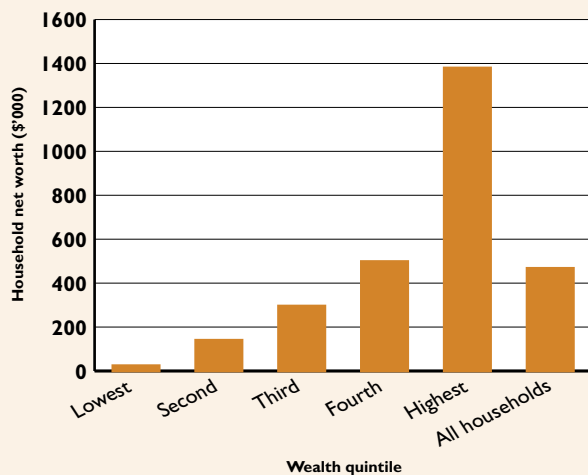
Adequate housing is an internationally recognised human right. While the extreme form of inadequate housing is homelessness, adequate housing is more than just shelter. People can also experience problems in overcrowded, unsafe, unhygienic housing. Increasing housing costs over recent years have meant that access to affordable housing is very difficult for people on low incomes.

Figure 1. Labour force status of those aged 15 to 64 by highest qualification, Australia, May 2005



Source: ABS 2006, *Education and work, Australia 2006*, Cat. no. 6227.0, Table 11.

Figure 2. Net worth of households by wealth quintile, 2003–04



Source: ABS 2006, *Household Wealth and Wealth Distribution, Australia, 2003–04*, Cat. No. 6554.0. Table 6.

Research shows that:

- In 2003–04, 30 per cent of Australians in the lowest income quintile were paying more than 30 per cent of their gross household income for housing costs.
- Almost 58,000 Australians aged 19–64 years were homeless on Census night in 2001.
- Indigenous Australians are more likely to experience homelessness, live in poorer housing conditions and to live in public housing, than other Australians.
- The percentage of public housing applications which were successful fell from 22 per cent in 1999 to 14 per cent in 2005.

5. Physical health

Most Australians are in good health. In 2004–05, 59 per cent of Australians aged 18 to 64 years reported that their overall health was very good or excellent.

However, there is evidence that people with long-term health conditions are less likely to be participating in the labour force. It is of concern that:

- An increasing number of Australians are living with some form of disability.
- Since 1987, Australia has been ranked in the 'worst' third of OECD countries for the proportion of adults who are obese.

- While more people over 18 years in the highest income quintile consume alcohol at risk levels, people in socially disadvantaged neighbourhoods are more likely to be daily smokers, to do limited exercise and to eat little fruit.
- Indigenous Australians' life expectancy is 17 years lower than the national average.
- Indigenous Australians are more likely to be obese or overweight and to suffer from related ill health than non-Indigenous Australians.

6. Mental health

Poor mental health can affect individuals' ability to participate in work, family and community activities. It is associated with increased exposure to health risk factors (including substance abuse), poorer physical health and higher rates of death from causes including suicide. People with poor mental health are more likely to be unemployed, and to stay unemployed longer than others.

Mental ill health also has social and economic impacts on the broader community. Family members, carers, friends and colleagues are affected. Mental ill health puts increased strain on economic resources, through higher welfare costs and lower labour force participation and productivity.

Research shows that:

- Mental ill health is one of the leading causes of non-fatal burden of disease and injury in Australia.
- Mental and behavioural problems are reported by twice as many adults in lower socioeconomic groups as in less disadvantaged groups.
- People with mental health problems are more likely to be involved in other risky behaviours including smoking, alcohol and substance abuse and self-harm.

7. Physical safety

Every year a number of working age Australians are injured in accidents at work or are victims of crime. Workplace injuries may result in reduced income in the short-term or to permanent impairment, in addition to pain and suffering for both the employee and their family. Concerns about crime can influence behaviour and affect participation, for example by making jobs at high-risk locations or with night-time hours unattractive.

Evidence on physical safety includes:

- Work-related injuries are more prevalent among men and the younger population, while work-related deaths are more prevalent among men and people aged 55 years and older.
- Homicide rates per 100,000 of the population aged over 15 years have decreased slightly, but physical and sexual assault rates have increased, since 2001.
- A high proportion of physical assault victims are males aged 18 to 34, but females are more likely to be victims of sexual assault across all age groups.

8. Social participation

Participation in social and cultural activities develops a sense of connectedness and is an integral part of a person's well-being. Networking is an important aspect of social connectedness, whether it is with friends, family or associates from work and other extracurricular activities. Increasingly Australians use the internet as a means of networking, but those from disadvantaged groups still lag behind in access to computers.

Research shows that:

- Problems accessing affordable transport restrict social participation for some 10 per cent of the lowest income group, and even more in rural areas.
- Australians in the highest income quintile are more than three times as likely to have internet access at home as those in the bottom income quintile.

What we must do

State and federal governments in Australia have recognised specific areas of concern, but further investment is needed to ensure that all people of working age have the capabilities to productively engage in the workforce and to lead healthy and rewarding lives.

Better integrated models of assistance are needed to address the multiple barriers faced by disadvantaged working age Australians, so they can gain the skills and confidence to fully participate in the labour market. Particular groups requiring assistance include:

Indigenous Australians, people with disabilities and long-term health conditions (physical and mental), and people with low levels of education and inadequate work skills.

Australia must improve on its low levels of spending on active labour market assistance for the unemployed relative to other OECD countries. Additional investment is required to build on joined-up models of employment assistance that provide pathways to sustainable careers through individualised training, meaningful work experience and job opportunities. There also needs to be increased investment in education and training over the life course to ensure that the skills of workers marginally attached to work are kept up-to-date with employer needs.

One of the fundamental policy reforms required is to address the growing housing crisis, since the lack of affordable, secure tenure housing is a substantial barrier to participation in training and work. The Brotherhood of St Laurence supports proposals for a national affordable housing plan as a matter of urgency.

A new approach is needed to assessing the capacity for economic and social participation for people with physical and mental health conditions. Increased emphasis must be placed on ensuring that people facing extra barriers or with caring responsibilities are able to develop their full potential in the workforce.

It is also important to ensure that the well-being of those who remain unable to participate in the workforce is protected through an adequate safety net.

It is critical to maximise the economic and social participation of all Australians if we are to further strengthen the nation's overall prosperity and community well-being over the next decade.

Note

These are highlights from the more detailed report prepared for the Brotherhood of St Laurence by the Allen Consulting Group, *The Brotherhood's Social Barometer: the working years*, including data sources and bibliographic references, which is available on the Brotherhood's website <www.bsl.org.au>.

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