



Case for change

“ *A new approach is required to ensure Aboriginal people and Torres Strait Islander people are better able to participate in Queensland's economy* ”

At present, Aboriginal and Torres Strait Islander Queenslanders:

- **are significantly less likely to be employed** (around 1 in every 2 are working) compared with non-Indigenous Queenslanders (around 3 out of every 4 (Australian Bureau of Statistics (ABS) 2011 Census of Population and Housing)
- **have an unemployment rate of 18.1%** (15 to 64 year olds), more than 3 times the rate of working age non-Indigenous Queenslanders (5.9%) (ABS, 2011 Census of Population and Housing)
- **are young** – the Aboriginal and Torres Strait Islander population of Queensland has a median age of 20 years compared to 36 years for non-Indigenous persons. More than a third (34.3%) of the Aboriginal and Torres Strait Islander working age population were aged under 25 years, compared to a fifth (20.1%) of the non-Indigenous population (ABS, 2011 Census of Population and Housing).

There are significant social and economic benefits in improving economic participation outcomes for Aboriginal and Torres Strait Islander Queenslanders that extend to individuals, families, communities, businesses and government, including:

- enhanced economic outcomes, including lower expenditure on government services (health, justice, public housing and social services), and increased taxation revenue
- a larger pool of workers, and a better trained and more qualified workforce
- higher personal and household incomes, improved satisfaction and better social cohesion
- some level of safety net against future episodes of disadvantage.

Working also promotes positive intergenerational effects, given children who grow up in households where at least 1 adult member is working are: less likely to be living in poverty; more likely to have higher rates of educational attainment; less likely to have contact with the juvenile justice system; and more likely to be employed in the future.

Benefits for all Queenslanders

- Increasing Aboriginal and Torres Strait Islander participation can create a significant benefit to the Queensland economy.
- At the time of the 2011 Census, 43.8% of Aboriginal and Torres Strait Islander Queenslanders aged 15 years and over were in employment. In comparison, the labour force employment participation rate of non-Indigenous persons was 18.5 percentage points higher at 62.4%.

- Non-participation in the labour market implies costs for individuals, their families and the community: individuals and families may experience lower personal and household incomes, while communities may experience lower social cohesion, and not receive the intergenerational benefits of employment.
- Queensland Treasury has estimated that if Aboriginal and Torres Strait Islander Queenslanders had the same employment characteristics than non-Indigenous Queenslanders, the Gross State Product (GSP) could have been 0.9% or around \$2.4 billion greater in 2010–11.
- Even incremental improvements in participation can deliver significant benefits to the Queensland economy. Closing the 18.5 percentage point gap in employment participation by just 1 percentage point in 2010-11 could have increased the GSP by up to \$129 million¹. This could have accounted for an extra 950 jobs for Aboriginal people and Torres Strait Islander people.

Economic participation is a complex issue. Many Aboriginal people and Torres Strait Islander people face multiple difficulties in finding employment. This represents an enormous challenge for government and the broader community and highlights the need for an integrated whole-of-government approach.

The value of a job



¹ Queensland Treasury, 2014, Internal report for DATSIP - The Economic Cost of the Gap between Indigenous and non-Indigenous employment participation. The analysis in this report is based on a range of assumptions and, as such, is intended to provide an indicative estimate of the economic cost of the employment gap. For the purposes of this analysis, equivalent employment participation is defined as having similar employment participation rates and similar average productivity per unit of labour. Estimates do not necessarily provide an indication of the possible benefits that would be achieved by any specific policies to reduce the gap, including the Queensland Public Sector Workforce Strategy.

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