

# Labour Market Composition

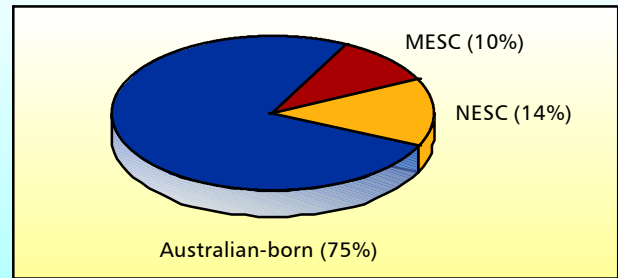
## Labour Force by Birthplace

In August 2000, the Australian labour force totalled 9,649,700 people: 7,285,200 Australian-born and 2,364,500 overseas-born. Of the overseas-born, 1,359,000 people were from non-English speaking countries (NESC) and 1,005,500 were from the main English speaking countries (MESC).

Of migrants in the workforce, 94.7 per cent of MESC migrants and 92.6 per cent of NESC migrants were employed. This compares with 93.9 per cent in employment for the Australian-born. The Australian-born are more strongly represented in the workforce than migrants. The participation rates of Australian-born men and women are 75.3 and 58.9 per cent respectively. The participation ratio for NESC men and women are 63.5 and 44.1 per cent respectively and for MESC men and women 72.5 and 55.7 per cent respectively.

**Fig. 5-8: Labour Force by Birthplace**

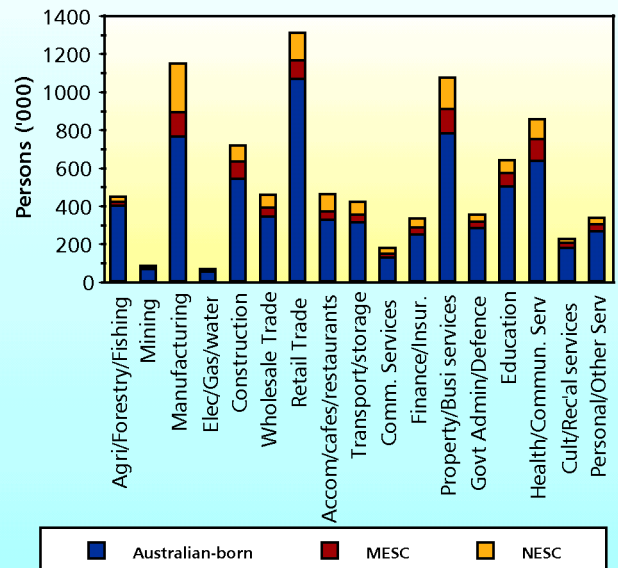
August 2000



Source Data: ABS Labour Force, August 2000 (6203.0)

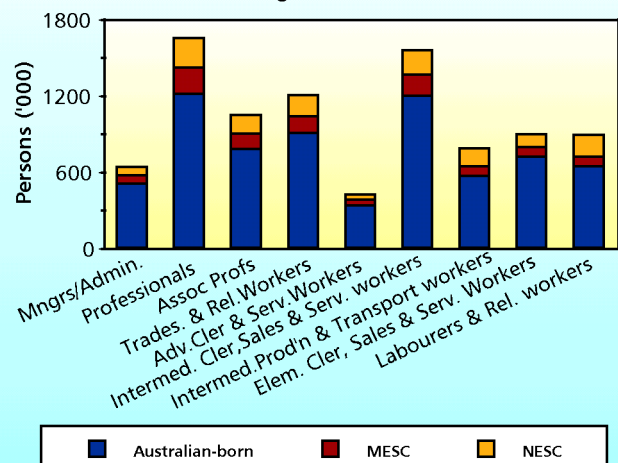
**Fig. 5-9: Employment by Industry and Birthplace**

August 2000



**Fig. 5-10: Employed by Occupation and Birthplace**

August 2000



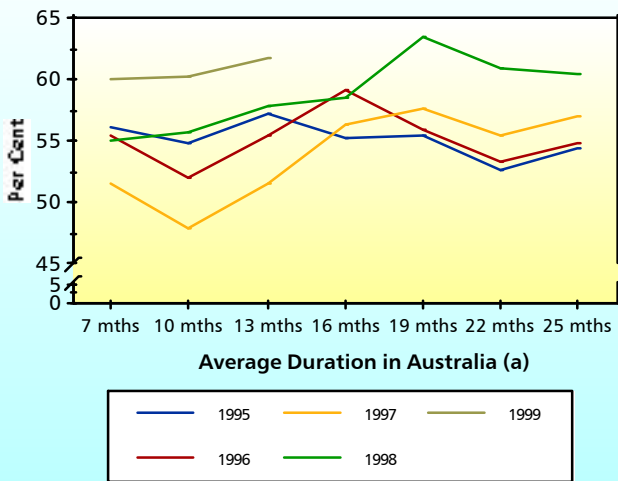
## Migrant Employment

In June 2000, the seasonally unadjusted unemployment rate for all people born overseas was 6.5 per cent, compared with 6.2 per cent for those born in Australia. However, people from English speaking countries had a lower rate (5.2 per cent) than the Australian-born and people from non-English speaking countries had a higher rate (7.4 per cent). As Fig. 5-13 demonstrates this pattern has been in evidence since 1992. Fig. 5-13 also suggests that the unemployment rate for people from non-English speaking countries is more strongly affected by changes in economic conditions. Under current favourable economic conditions, their unemployment rate appears to be converging to that of the Australian-born.

Consistent with the DIMA Longitudinal Survey of Immigrants to Australia (LSIA), the rates of unemployment and participation are improving over time for newly arrived migrants to Australia. Fig. 5-11 and Fig. 5-12 show that the more recent immigrants are faring better in the Australian labour force in the last couple of years compared with four to five years ago. Other than the economic and employment situation improving generally in Australia in this time, this substantial improvement can be attributed to the introduction of the 2 year wait for social security (introduced in March 1997) and the significantly more rigorous skill, age and English language requirements.

While employment has improved for Australia as a whole over the last 4 years, the unemployment and participation rates of the newly arrived overseas-born has improved even more significantly. Since June 1996 unemployment for the Australia population has declined by about 2 per cent, while the participation rate has remained relatively constant between 63.0 and 64.0 per cent.

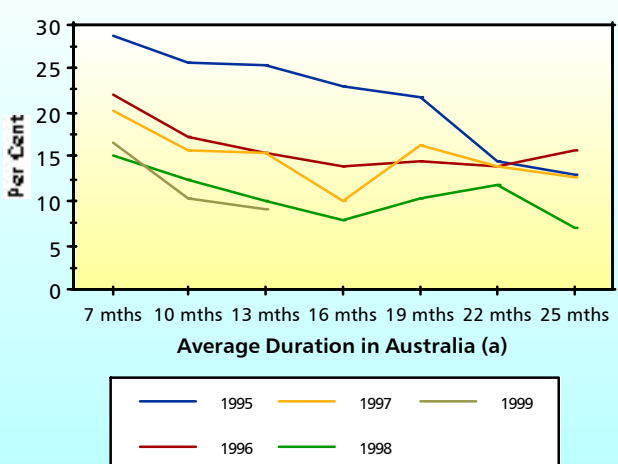
**Fig. 5-11: Labour Force Participation Rates for Arrivals for Cohorts 1995 to 1999**



(a) Average of 7 months duration refers to a range of 0 to 14 months; average of 10 months duration refers to a range of 3 to 17 months; etc.

Source Data: DEWRSB

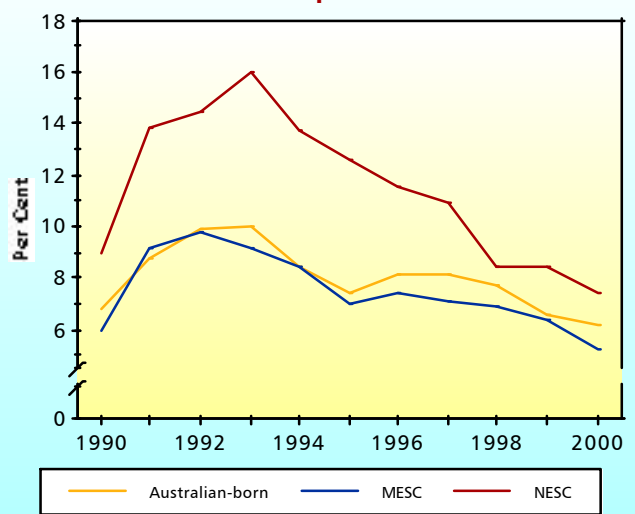
**Fig. 5-12: Unemployment Rates for Arrivals for Cohorts 1995 to 1999**



(a) Average of 7 months duration refers to a range of 0 to 14 months; average of 10 months duration refers to a range of 3 to 17 months; etc.

Source Data: DEWRSB

**Fig. 5-13: Unemployment Rates by Birthplace**



Source Data: ABS Labour Force (6203.0)

## Factors Affecting Migrant Unemployment

The unemployment rates of migrants are closely related to a number of factors. The most important appears to be proficiency in English, as shown in Fig. 5-15. Skill level and qualifications, reflected in the stream under which the migrant entered Australia are also important. The unemployment rate for all migrant groups also falls substantially with increased duration of residence. Initial high rates of unemployment partly reflect the difficulties experienced by all new entrants to the labour market, including school leavers. Long established migrants (23 years residence or more) have significantly lower rates of unemployment than the Australian-born (5.3 per cent, compared with 6.6 per cent).

Gender is a factor for migrants from English speaking countries, with women from these countries experiencing lower rates of unemployment than men in every year since 1990. Age is also important in influencing unemployment rates.

At September 1998, Independent category migrants 42 months after arrival had an unemployment rate of 5.0 per cent, which was below the Australian rate of 8.1 per cent. Immediately after arrival, employer-nominated migrants had unemployment rates well below the Australian rate, and lower still (4 per cent) after 42 months.

## Migrants Receiving Welfare

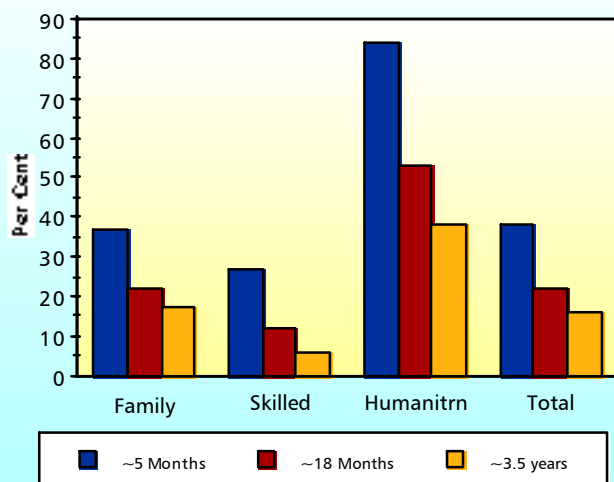
A recent study conducted by Birrell and Jupp (see page 114 for details of this report) looks at the proportion of people who were receiving welfare benefits at the time of the 1996 Census.

It was found that, overall, people born overseas have significantly lower welfare rates than the Australian-born for each age group. In particular, migrants from MES countries aged less than 45 years have lower rates of welfare usage than their Australian-born counterparts. There are also low levels of welfare usage among migrants from some non-English speaking countries such as the PRC and Indonesia, a source of substantial numbers of skilled migrants.

The need for welfare by migrants increases with age on arrival in Australia, particularly for those aged 45 years or more. This is certainly the case for those aged 65 years or more. 85 per cent of those migrants aged 65 years or more in 1996, who had arrived in the previous six to ten years, were receiving a welfare payment compared with only 56.0 per cent of those who had arrived in the previous five years.

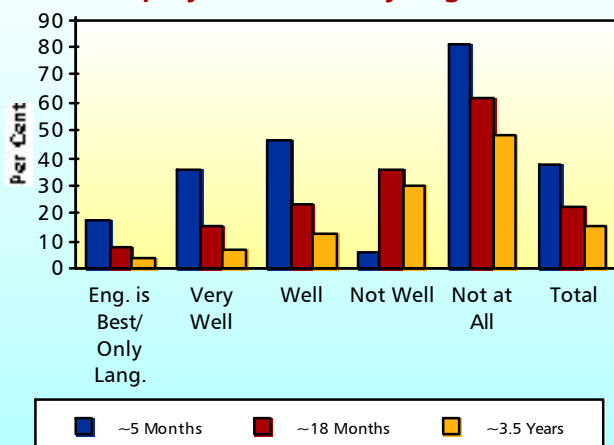
English proficiency is also a determinant of welfare usage. For migrants aged less than 55 years, the level of welfare usage was higher for those who were born in countries which have lower levels of proficiency in English.

**Fig. 5-14: Estimates of Principal Applicant Unemployment Rates by Migration Entry Stream and Time since Arrival**



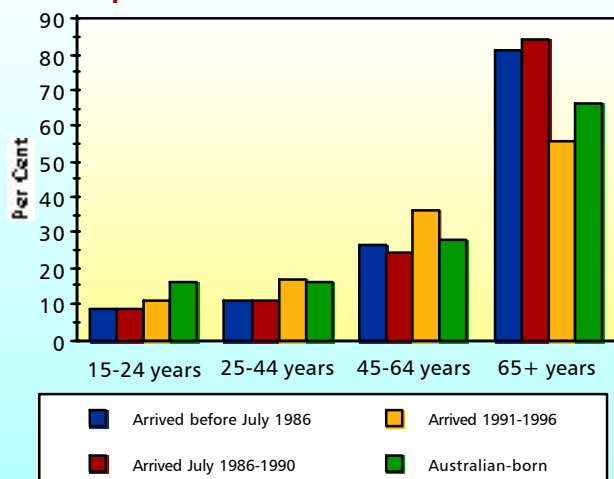
Source Data: DIMA Longitudinal Survey of Immigrants to Australia (LSIA1)

**Fig. 5-15: Estimates of Primary Applicant Unemployment Rates by English Prof**



Source Data: DIMA Longitudinal Survey of Immigrants to Australia (LSIA1)

**Fig. 5-16: Welfare Recipient Rates by Age Groups of Overseas-born and Aust-born**



Source Data: Birrell and Jupp, 2000