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**Work and welfare for indigenous
Australians**

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SERIES NOTE

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- investigate the stimulation of Aboriginal and Torres Strait Islander economic development and issues relating to Aboriginal and Torres Strait Islander employment and unemployment;
- identify and analyse the factors affecting Aboriginal and Torres Strait Islander participation in the labour force; and
- assist in the development of government strategies aimed at raising the level of Aboriginal and Torres Strait Islander participation in the labour market.

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ABSTRACT

An issue frequently raised in the literature on the economic status of Aboriginal people is the importance of welfare transfers as a source of income, yet there is very little aggregate information documenting this. The purpose of this paper is to present the available evidence from the Population Census and administrative data sources. One estimate is based on the share of total individual income coming from those in employment. Results from 1976 and 1991 show that for Aboriginal people, a smaller share of total individual income came from this source than was the case for other Australians. The last time a question on sources of income was included in a census was in 1976, and the comparison of the numbers receiving a government pension or benefit presented here shows that a larger proportion of Aboriginal people were in receipt of these payments than other Australians. The conclusions based on more recent administrative data are less clear because of the difficulties faced in identifying Aboriginal people and in combining figures from different sources. Nevertheless, the figures are consistent with a broad conclusion of higher levels of welfare receipt among Aboriginal people. The relatively high levels of welfare receipt reflect important underlying problems facing Aboriginal people; high levels of unemployment, poor health and the high incidence of sole parenthood. The paper concludes by stressing the importance of addressing these issues directly.

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Foreword

In response to a call for papers for the 1993 National Social Policy Conference with the theme 'Theory and Practice in Australian Social Policy: Rethinking the Fundamentals', academics at the Centre for Aboriginal Economic Policy Research, Australian National University, submitted three inter-related abstracts with the following titles:

- i 'Indigenous Australians and social policy: rethinking the fundamentals' (J.C. Altman and W.G. Sanders);
- ii 'The role of the Aboriginal and Torres Strait Islander Commission in social policy towards indigenous Australians' (J.C. Altman and D.E. Smith); and
- iii 'Work and welfare for indigenous Australians' (A.E. Daly and A.E. Hawke).

It was anticipated that all three papers would be earmarked for a special session on Aboriginal and Torres Strait Islander issues convened in recognition of the 1993 United Nations International Year of the World's Indigenous People. However, the conference organisers only slotted the first proposal into this session; the second was included in the stream 'Social Policy and the Economy', and the third in the stream 'Work and Welfare'.

The section 'Work and Welfare' sought papers that addressed the following issues: What is the future of work? What is the future of welfare in a world where full employment is an increasingly uncertain goal? What role can social policy play in changing formal and informal labour markets? The paper by Drs Daly and Hawke addresses these issues with specific reference to indigenous Australians. While the 'Work and Welfare' stream did not focus on Aboriginal and Torres Strait Islander issues, their paper was grouped with two others addressing issues of specific relevance to indigenous Australians. A version of this paper has been submitted for inclusion in the conference proceedings, but it is also published as a CAEPR discussion paper to make it available immediately to an audience focusing on Aboriginal and Torres Strait Islander social policy.

Jon Altman
Series Editor
September 1993

An issue of concern for those addressing the question of how to improve the economic status of Aboriginal people is the importance of government welfare transfers in the total income of Aboriginal people (see Fisk 1985; Miller 1985; Australian Government 1987).¹ Fisk (1985) estimated that in 1976, 46 per cent of total Aboriginal personal income came from social security payments and that this share rose to 53 per cent in 1981. There is also considerable case study evidence to show that in particular Aboriginal communities, the share of government welfare transfers in total money income is even higher. For example, Fisk reports that in 1981, around 65 per cent of the total income of urban Aborigines was from social security payments.² Altman found that in 1979, 75 per cent of the money income of 17 Maningrida outstations in Arnhem Land came from this source (Fisk 1985: 36). There is little reason to suggest that these estimates are no longer applicable. For many of these communities the importance of government money is not a transitory phenomenon, but represents a long-term feature of life.

The large share of welfare income in total money income is a cause for concern for a number of reasons. Firstly, as the Australian benefit system is means tested, the people receiving benefits, by definition, live in relatively poor circumstances, thus a community with a high proportion of people receiving benefits is almost certainly a group of people without immediate alternative sources of money income. Although there are a range of estimates of the affect of benefit receipt on the incentives to seek employment (see Layard 1986), the extent to which welfare payments undermine independence and work effort remains an issue (see Cass 1988; Moffitt 1992; Daly 1992). A further reason for concern with a high level of welfare dependence relates to the underlying rationale of the Australian welfare system. Many types of welfare payments are designed to relieve problems arising from a temporary loss of income (for example, Jobsearch, Sickness and Special Benefits). As such, they provide a minimum standard of living for people facing short-term difficulties and are not meant to provide a long-term source of income.

One of the goals of the Aboriginal Employment Development Policy (AEDP) is the reduction of Aboriginal dependence on government welfare transfers (particularly unemployment benefit), yet aggregate statistical evidence of this dependence and comparisons with other Australians are limited. The aim of this paper is to present the available evidence and to consider whether Aborigines are in fact more dependent on government welfare income than other Australians. Welfare dependence is a symptom of poverty and as such the figures presented here are a reflection of the low economic status of many Aboriginal people. They highlight the dilemma facing policy makers; while welfare entitlements may reduce the incentives for individuals to support themselves, the removal of welfare benefits would leave many Aborigines in greater poverty. It is therefore important

to address the underlying sources of Aboriginal reliance on welfare payments. These include the lack of employment opportunities, the nature of family structure and the allocation of responsibility for child-rearing, and the issue of poor health amongst Aboriginal people. These issues will be addressed at greater length in the concluding discussion.

Analyses of the Aboriginal population based on official data sources face particular problems, notably how to identify Aboriginal people. Most of the surveys conducted by the Australian Bureau of Statistics (ABS) do not include an Aboriginal identifier and the information available in administrative data is often incomplete. The Population Census is the major comprehensive source of information on the indigenous population of Australia.

Australians were first given the opportunity to identify themselves as Aboriginal or Torres Strait Islander in the 1971 Census. In that Census, 115,953 people identified themselves as Aboriginal or Torres Strait Islander, and since then there has been a dramatic growth in the size of the Aboriginal population. This growth cannot be accounted for by higher fertility rates. There is evidence of an increased willingness of people to identify as Aboriginal, with the population growth taking place across all age groups. In addition, the ABS has improved its methods of collection of census data in remote areas. In 1991, 265,378 people identified as indigenous Australians. Over half of these lived in New South Wales and Queensland, with Western Australia and the Northern Territory accounting for a further 30 per cent. The Aboriginal population is younger, on average, than other Australians (39.8 per cent were under 15 years of age compared with 22.1 per cent of other Australians) and they are more likely to live outside the major urban centres than the Australian population in general.

As people have the choice of changing their Aboriginal identity over time and in different contexts, any comparisons of the Aboriginal population over time, or using different data sources, face the problem that the figures may not relate to the same group of people. This analytical problem is particularly significant if newly identifying Aborigines differ in some systematic way from those who have always identified as such. This may create the appearance of changes which would not be apparent if the same group of individuals was analysed at each point in time. For example, if the newly identifying Aboriginal people are more highly educated than those who initially identified, it may appear that educational attainment has risen when, in fact, it has not. These qualifications should be remembered in the following discussion.

Some measures of welfare dependence

The significance of transfers from government to Aboriginal people is difficult to establish at an aggregate level. Two sources of data will be used here to construct some estimates; the Population Census and administrative records from the Department of Social Security (DSS).

In the absence of direct evidence on sources of income for Aboriginal people, Altman and Smith (1993) used 1986 Census data to examine a broad breakdown of Aboriginal total personal income by the labour force status of individuals. These figures give a rough picture of the probable sources of Aboriginal income. They indicate that 58.2 per cent of total individual Aboriginal income came from those in employment. Tables 1 and 2 presented below use a similar methodology to compare the share of total income for Aboriginal and non-Aboriginal males and females in two census years, 1976 and 1991.

There were a number of important assumptions made in the construction of these tables. First, it was necessary to match people's labour force status at the time of the census with their usual income level. For example, in order to classify the income of those unemployed at the time of the census to 'unemployed income', it was necessary to assume that the unemployed person was unemployed for the whole period over which they reported their income. There was nothing in the census questions to require that the answers to the income question and the labour force status questions be related in time. In order to take the analysis one step further and argue that the income of the unemployed represented welfare income, it was necessary to assume that all the income of unemployed people was from welfare payments, none had been earned from other sources, such as employment or interest from a capital asset. This assumption of no additional sources of income except welfare would also be required for those not in the labour force. Given these limitations, the figures should be taken as only a very rough indication of the relative importance for total income of employment income and income from other sources.

Tables 1 and 2 show that in both 1976 and 1991, a substantially greater share of total personal income came from employment among non-Aborigines than among Aborigines. Significant differences are apparent when men and women are considered separately. While the share of employment income fell for both Aboriginal and non-Aboriginal men between 1976 and 1991, the decline was particularly pronounced for Aboriginal men. In 1976, 80 per cent of total Aboriginal male income came from those in employment, but in 1991, this had fallen to 68 per cent (see Figure 1).³

Table 1. Income by labour force status for Aboriginal and other Australians, by sex, 1976.

	Number	Mean income	Total income (\$ million)	Per cent of total
Aboriginal males				
Employed	23,364	\$6,122	143.0	79.9
Unemployed	5,091	\$2,815	14.3	8.0
NILF ^a	12,539	\$1,715	21.5	12.0
Total	41,039	\$4,362	179.0	100.0
Aboriginal females				
Employed	9,777	\$4,519	44.2	52.6
Unemployed	1,950	\$1,766	3.4	4.1
NILF ^a	26,646	\$1,370	36.5	43.4
Total	38,368	\$2,191	84.1	100.0
Non-Aboriginal males				
Employed	3,303,381	\$8,574	28,323.2	92.7
Unemployed	127,216	\$3,049	387.9	1.3
NILF ^a	850,061	\$2,183	1,855.7	6.1
Total	4,280,645	\$4,362	30,563.8	100.0
Non-Aboriginal females				
Employed	1,793,655	\$5,453	9,780.8	76.7
Unemployed	85,368	\$1,580	134.9	1.1
NILF ^a	2,266,019	\$1,243	2,816.7	22.1
Total	4,149,142	\$3,073	12,750.3	100.0

a. Not in labour force.

Totals subject to rounding and measurement error.

Source: ABS (1976) Census of Population and Housing, Fiche No. 0084, Table 53, and authors' calculations.

Table 2. Income by labour force status for Aboriginal and other Australians, by sex, 1991.

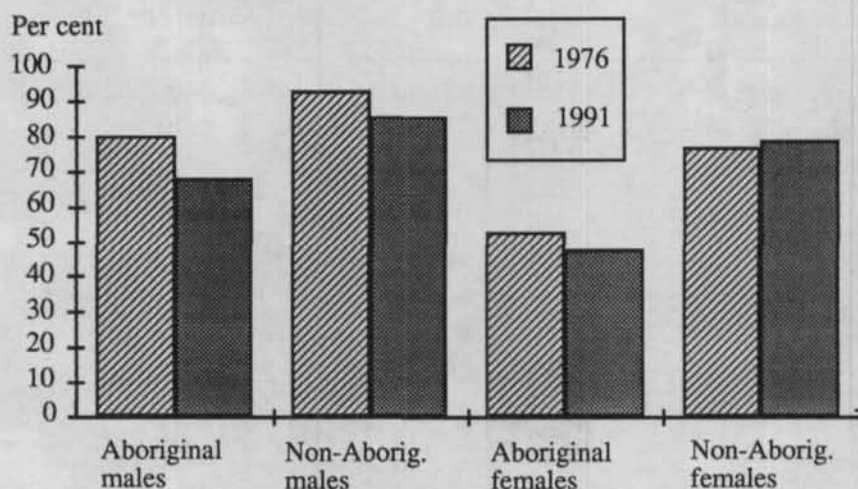
	Number	Mean income	Total income (\$ million)	Per cent of total
Aboriginal males				
Employed	32,192	\$18,767	604.2	67.7
Unemployed	14,784	\$8,757	129.5	14.5
Not Stated	774	\$9,302	7.2	0.8
NILF ^a	21,196	\$7,129	151.1	16.9
Total	68,964	\$12,940	892.4	100.0
Aboriginal females				
Employed	22,226	\$15,861	352.5	47.6
Unemployed	8,233	\$7,507	61.8	8.3
Not Stated	1,099	\$9,061	10.0	1.3
NILF ^a	39,404	\$8,008	315.6	42.6
Total	70,980	\$10,431	740.4	100.0
Non-Aboriginal males				
Employed	3,875,477	\$28,625	110,934.1	85.5
Unemployed	513,243	\$9,671	4,963.9	3.8
Not Stated	16,116	\$12,761	205.7	0.2
NILF ^a	1,392,113	\$9,838	13,698.2	10.6
Total	5,796,949	\$22,391	129,801.8	100.0
Non-Aboriginal females				
Employed	2,871,695	\$19,232	55,230.2	78.6
Unemployed	299,614	\$6,593	1,975.3	2.8
Not Stated	23,276	\$9,170	213.4	0.3
NILF ^a	2,549,708	\$7,668	19,551.9	27.8
Total	4,735,293	\$14,845	70,297.4	100.0

a. Not in labour force.

Totals subject to rounding and measurement error.

Source: ABS (1993) Census of Population and Housing, unpublished data and authors' calculations.

Figure 1. Share of total income from employment, Aboriginal and non-Aboriginal males and females, 1976 and 1991.



The decline in the share of employment income in the total income of Aboriginal women was less pronounced than for men. About half of total income came from employed Aboriginal women in each year. This was a markedly smaller share than for non-Aboriginal women (see Figure 1). In fact, the share of total income from the employed non-Aboriginal women actually increased between 1976 and 1991. This difference was offset by the much larger share of the total income of Aboriginal women coming from those who were not in the labour force. In 1991, 43 per cent of the total income of Aboriginal women came from those who were outside the labour force. This contrasted with about a quarter of the income of other Australian women coming from this group.

In summary, these tables show that for both Aboriginal men and women, the share of income coming from those in employment was lower than for other Australian men and women. This was true in 1976, and increasingly so in 1991. The income of those women who were not in the labour force accounted for a particularly large share of the income of Aboriginal women. The evidence presented in these tables is consistent with the hypothesis that social security income is more important for Aboriginal people than for other Australians and that this importance has increased over time.

A more direct measure of the importance of welfare payments to Aboriginal people is the actual numbers in receipt of these payments. The 1976 Census included a question on sources of income which has,

unfortunately, not been repeated in later censuses and these data are presented in Table 3. More recent administrative data from the DSS on the number of pension and benefit recipients are presented in Table 4.

In the 1976 Census, people over the age of 15 years were asked 'Which of these payments are received?'. Individuals were instructed to tick the applicable boxes and the list of options included: superannuation or annuity, war widows pension, other war pension, repatriation service pension, age pension, invalid pension, widows pension or supporting mothers benefit, unemployment benefit, sickness or special benefit, none of these (question 25). Table 3 presents a summary comparison of the numbers of Aborigines and other Australians who were at that time drawing various types of government pension (figures on the numbers receiving superannuation have been omitted). The published data for Aborigines were aggregated into broad categories of pension, so it has not been possible to present detailed data for each type of pension.

There are several patterns presented in the table which are common to both males and females. In each section-of-State, and in total, the total number of Aboriginal pensions per 100 Aboriginal inhabitants was higher than for their non-Aboriginal counterparts.⁴ A second feature, common to both Aboriginal and non-Aboriginal males and females, was the fact that the highest number of pensions per 100 inhabitants was found in the 'other urban' category, that is in medium-sized towns. For Aboriginal people, the lowest incidence of pension receipt was in the major urban areas but for other Australians, it was in the rural areas.

These figures, and those presented in Table 1, are particularly interesting in the light of the literature which discusses the incorporation of Aboriginal people into the Australian welfare system (see Sanders 1985, 1987; Altman and Sanders 1991a). They provide evidence that by 1976, Aboriginal people were accessing the welfare system to a greater extent than other Australians. However, it was not until the early 1980s that Aboriginal people in the remote areas were given full access to unemployment benefits. The DSS also increased its effort in the late 1970s to reach remote communities and to ensure that all those eligible for benefits of all kinds were receiving them. It is important to remember, therefore, that these figures predate the initiatives to provide greater access to the welfare system for remote Aborigines. As such, it seems probable that a similar question asked in a current survey of the economic status of Aboriginal people would find an even larger proportion of Aborigines in receipt of government assistance. Changing economic conditions and demographic factors would also suggest an increase in the incidence of pension and benefit recipients among the Australian population in general.⁵

Table 3. Pensioners per 100 people by pension type and section-of-State, for Aboriginal and other Australians, 1976.^d

Type of pension/benefit	Section-of-State			Total
	Major urban	Other urban	Rural	
Aboriginal males				
War related ^a	2.1	1.4	0.9	1.3
Age	2.1	3.9	6.7	4.4
Unemployment	10.0	16.4	11.1	11.9
Widows ^b	0.2	0.1	0.1	0.1
Other ^c	6.3	8.3	6.6	6.7
Total	20.6	30.1	25.5	24.4
Other Australian males				
War related ^a	5.1	5.4	3.7	4.9
Age	6.9	9.0	6.7	7.3
Unemployment	1.9	2.3	2.3	2.0
Widows ^b	0	0	0	0
Other ^c	2.7	3.7	3.0	3.0
Total	16.6	20.4	15.8	17.3
Aboriginal females				
War related ^a	1.7	1.1	0.7	1.1
Age	4.4	5.4	9.0	6.6
Unemployment	5.4	7.2	4.9	5.8
Widows ^b	12.8	15.5	11.8	13.3
Other ^c	5.7	8.2	5.4	6.4
Total	28.1	37.3	31.9	33.1
Other Australian females				
War related ^a	4.3	4.3	3.0	4.1
Age	14.7	17.0	11.2	14.8
Unemployment	1.0	1.4	1.4	1.2
Widows ^b	3.5	3.8	2.5	3.4
Other ^c	2.3	3.1	2.4	2.5
Total	25.8	29.6	20.5	26.0

- a. War related pensions and benefits include repatriation service pension, war widows pensions and other war pensions.
- b. Widows pensions exclude war widows pensions and include other widows pensions and supporting mothers pensions.
- c. Other pensions and benefits included invalid pension, sickness and special benefit.
- d. It was possible for one person to receive more than one pension but it is not possible to identify where the double counting has taken place. About 90 per cent of people received only one pension so the double counting should not alter these figures greatly.

Source: 1976 Population Census, Population and Dwellings Summary Tables, Table 32; Aboriginal Summary Data by section-of-State, Table 20 for each State and section-of-State.

In 1976, according to these census figures, 24.4 per cent of Aboriginal males were in receipt of some type of pension. This compared with 17.3 per cent of other Australian males.⁶ A major difference arose in the receipt of unemployment benefit. While 11.9 per cent of Aboriginal males received unemployment benefit, this compares with only two per cent of other Australian males. This figure seems somewhat conservative given the unemployment rate for males in 1976 of 4.7 per cent. The figures presented here relate to the male population aged 15 years and over and not to the labour force which is the denominator used in the measurement of the unemployment rate. The discrepancy may also reflect the relatively short mean duration of unemployment spells at that time.⁷ The other important difference between Aboriginal and other Australian males is in the numbers in receipt of an aged pension. Other Australian men were more likely to be on an age pension (7.3 per cent) than Aboriginal men (4.4 per cent). This reflects not only the shorter life expectancy of Aboriginal males compared with other Australians, but may also be partially explained by a lower take-up rate among Aboriginal people.⁸

The composition of female benefit recipients differed in a number of respects from that of males. This has also been apparent in case studies of the sources of Aboriginal income (see, for example, Ball 1985). Women were more likely to be on an age pension or widows or supporting mothers benefit (as supporting parents benefit was then called) than men, and they were less likely to be on unemployment benefit. Both Aboriginal and other Australian women had higher levels of pension receipt than their male counterparts. In common with the male pattern, more Aboriginal women received a benefit or pension than their counterparts in the general population, and for both Aboriginal and other Australian women, benefit receipt was highest in the 'other urban' areas. More than one-third of Aboriginal women in the 'other urban' category received a pension.

The major differences between Aboriginal and other Australian women were in the numbers receiving aged pension and widows and supporting mothers benefits. Taking Australia as a whole, there were over twice as many age pensioners among non-Aboriginal women than among Aboriginal women. This probably reflects the shorter life expectancy of Aboriginal women (see endnote 8). The opposite applied to those receiving widows and supporting parents benefits. Aboriginal females were almost four times as likely to be on these benefits than other Australian women. A comprehensive explanation of these differences remains an important area of research.

Table 4. Numbers of pensioners and beneficiaries per 100 people for Aboriginal and other Australians, by age, 1991.^c

Age	Aboriginals		Total population	
	Per cent of recipients	per 100 ^a	Per cent of recipients	per 100 ^a
16-19	10.0	13.8	5.5	16.3
20-29	30.4	20.0	12.6	14.9
30-39	24.3	22.3	11.2	13.3
40-49	12.6	18.7	8.7	23.8
50-59	10.2	26.3	10.6	22.1
60+	9.0	n.a.	51.4	n.a.
Total working age ^b		20.0		18.8

n.a. represents not available.

- It has been necessary to compare estimates of pension recipients from DSS data with population estimates from the census in the construction of this table. Those identifying themselves as Aboriginal or Torres Strait Islander in the census may not be systematically identified in DSS records.
- Working age is defined here as those individuals aged 16 to 59 years inclusive.
- Several other factors aid the interpretation of this table. Firstly, the total number of recipients of some form of pension or benefit (excluding allowances such as child disability, mobility allowances and other family payments) was estimated to be around 3.2 million people in 1991. The number of CDEP participants for this year was estimated to be around 18,000 Aboriginal people. The number of participants in training programs supported by the Department of Employment, Education and Training was estimated to be 300,097 in 1991 (see Table 5).

Source: DSS Annual Report, ABS Community Profiles, Aboriginal and Torres Strait Islander Commission (ATSIC) unpublished data, DSS unpublished data, authors' calculations.

It is not possible to construct a similar table from later censuses which did not include a question on pension and benefit receipt. Data from DSS administrative records have been used in Table 4 to construct aggregate figures for 1991.

In line with Commonwealth Government principles, the DSS now relies on Aboriginal people to identify themselves as such. This choice, and the fact that the coding of this information has not always been a priority for DSS officials, means that DSS data probably under-enumerate the number of Aboriginal pension and benefit recipients. The extent of this problem is considered to vary between areas, depending on the relative size of the Aboriginal clientele in each location. It also appears to vary by type of pension or benefit.

A further caveat in using these data to consider the extent of Aboriginal dependence on government funding is that DSS figures do not include those people who would otherwise be eligible for social security support

but are on training programs or are being funded by other government departments. Aboriginal people are among the disadvantaged groups identified by the Department of Education, Employment and Training (DEET). As such, they receive particular attention and are likely to be placed on a training program earlier in an unemployment spell than are other benefit recipients. As indicated in Table 5, in 1991, the principal training programs for Aboriginal people in terms of numbers in the programs are the Training for Aboriginals Program (TAP), Jobtrain and SkillShare.⁹

Table 5. Participation in DEET labour market programs and the CDEP scheme, Aboriginal and other Australians, 1991.

Program	Total participants	Aboriginal participants	(2)/(1) Per cent
Employment Access Programs			
Jobtrain	91,397	4,831	5.3
Jobstart	45,538	1,881	4.1
Jobsearch Training	33,418	1,335	4.0
Mobility Assistance	3,074	90	2.9
Early Intervention	7,090	189	2.7
Other Programs^a			
TAP ^b	5,172	5,172	100.0
SkillShare	99,816	4,490	4.5
Traineeships	8,545	253	3.0
Jobskills	311	15	4.8
Labour Adjustment Assistance	3,366	19	0.6
Other DEET programs	2,370	10	0.4
Total DEET programs	300,097	18,285	6.1
ATSIC program			
CDEP scheme	18,266	18,266	100.0

a. These are DEET programs.

b. The TAP community sector program is now administered by ATSIC.

Source: Shergold and Taylor (1992: 15); Altman and Sanders (1991a: 2).

Another important group of Aboriginal people eligible for DSS assistance but who do not appear in the DSS statistics because they are funded by the Aboriginal and Torres Strait Islander Commission (ATSIC) are those on the Community Development Employment Projects (CDEP) scheme. Under this scheme, individuals can agree to forgo their welfare

entitlements which are then placed in a common community pool with additional funds for the administrative costs of the scheme and investment in community projects. Participants are then expected to work part-time for the equivalent of their welfare entitlement.¹⁰ The scheme has expanded greatly since its inception in 1977, and in 1991, there were 18,266 participants (Altman and Sanders 1991a: 2). The participants on the scheme would all be eligible for social security benefits. Figures on the numbers of both CDEP participants and those on DEET training schemes are included in Table 5 for indicative purposes. They cannot, however, be simply added to the DSS numbers because of the problems of double counting.

The figures in Table 4 show that among those of working age, 20 per cent of Aboriginal people were in receipt of social security payments, compared with 19 per cent of the total population. This suggests little difference in the social security take-up rate between Aborigines and the rest of the Australian population. However, when CDEP participants are included in the total, the share of Aboriginal people in receipt of public assistance doubles to 40 per cent, more than twice the rate for the total Australian population. This figure should only be taken as indicative. It may be an overestimation because of some double counting where the DSS and ATSI figures do not relate to exactly the same time period. It may also be an underestimate if all the Aboriginal people receiving social security payments are not identified as such. This estimate of 40 per cent does not, however, include any DEET program participants.

Table 6 focuses specifically on the issue of duration of receipt of Jobsearch and Newstart benefits. The numbers of Aboriginal people identified as recipients of these employment-related benefits are of a similar order of magnitude to the number recorded as unemployed in the 1991 Census. This suggests that underenumeration of Aboriginal people was probably less of a problem for these kinds of benefit than for other types of DSS pensions and benefits.

Two general trends are apparent in the figures reported in Table 6. Firstly, the mean duration of benefit receipt was longer for men than for women and, secondly, it increased with age. Columns 5 and 6 show that the mean duration of receipt of these benefits was consistently higher for Aboriginal recipients, both male and female, than for the total population. Evidence of longer unemployment spells for Aboriginal people is also available from the Commonwealth Employment Service data on the long-term unemployed presented by Junankar and Kapuscinski (1991). However, it is important to note that the longer duration of unemployment for Aboriginal people measured by these data are probably underestimates. They exclude many of the long-term unemployed who are participating in the CDEP scheme. In addition, some unemployment spells would have been broken

by participation in a training program and those who returned to unemployment on completion of such a program would be counted as starting a new spell of unemployment.

Table 6. Mean duration of unemployment^a of Aborigines and total population, by age and sex, in weeks, 1991.

Age	Aborigines		Total Population		(1)/(3)	(2)/(4)
	Males (1)	Females (2)	Males (3)	Females (4)		
16-17	34	28	b	b	b	b
18-24	57	53	32	31	1.8	1.7
25-34	83	77	44	42	1.9	1.8
35-44	96	86	53	44	1.8	2.0
45-54	113	85	62	55	1.8	1.5
55-59	138	119	93	83	1.5	1.4
60-64	153	c	124	c	1.2	c

a. Unemployed data refers to both Job Search Allowance (JSA) and Newstart Allowance (NSA).

b. Data for this age group was not available at time of printing.

c. Females of this age were entitled to aged pension.

Source: DSS Annual Report, ATSIIC unpublished data, DSS unpublished data, authors' calculations.

In interpreting duration data, several factors should be borne in mind. First, there are two types of duration: interrupted and completed spells. Interrupted duration is the number of weeks of unemployment experienced to date by those unemployed at the time of the survey. Completed duration represents the actual length of time persons are unemployed. Table 6 presents data on interrupted spells. Although there are no data on completed duration of unemployment spells, following the methodology identified by Gregory and Foster (1984), we can estimate the average length of a completed spell of unemployment by doubling the estimate derived for the interrupted spell. For example, by using this method, the estimated completed spell of unemployment for Aboriginal males aged 45-54 was 226 weeks, compared with 124 weeks for males of this age in the total population.

Summary and conclusion

Although direct aggregate evidence on the importance of government pensions and benefits is limited, the evidence presented in this paper from the Australian Census and DSS Administrative data sets shows that

Aboriginal people were more likely to be in receipt of pensions or benefits than were other members of the Australian population. 1991 estimates from administrative data sets suggest that double the proportion of working-aged Aboriginal people were on some form of pension or benefit compared to other Australians. Data available on the duration of receipt of Jobsearch and Newstart allowances show that Aboriginal people had longer average durations than Australians in general. If the numbers receiving benefits or the equivalent through CDEP, and the duration of receipt of Jobsearch and Newstart allowances are taken as measures of welfare dependence, then Aboriginal people are more dependent on government transfers than are other Australians.

Another measure of welfare dependence, which has been used in the absence of more direct measures, is the share of total income derived from employment and other sources (Altman and Smith 1993). There are a number of important assumptions underlying the use of this measure, and the estimates should only be taken as a rough guide. The calculations presented here suggest that, in 1991, 59 per cent of total Aboriginal money income came from employment and the remaining part from non-employment income, such as welfare payments, royalties and rents. These estimates of the share of employment income are much lower than for other Australians where 83 per cent of total money income came from employment sources in 1991.

Although these figures could be used to argue that employment was, in aggregate, the major source of Aboriginal income, this is a rather misleading interpretation. While in aggregate, employment was the most important source of income, for individuals it was not. Employment income was not distributed equally throughout the population. In 1991, 83,617 Aborigines, or 60 per cent of the adult Aboriginal population, did not directly receive income from employment. This compared with 41 per cent of the non-Aboriginal population.

These figures, showing the relatively high welfare dependence of Aboriginal people, reflect a range of social and economic problems facing them. Welfare dependence should be thought of as both a symptom and a cause of these problems. There is little evidence to suggest that the immediate removal of welfare benefits would improve the income status of Aboriginal people in the short term.

There are several problems facing Aboriginal people which are reflected in these figures. Firstly, the relatively high rates of employment-related benefit receipt suggest that there are special problems for Aboriginal people in finding employment. Other research provides statistical evidence of a negative 'Aboriginal effect' on the probability of being in employment even after controlling for a range of other determinants of employment

status (Daly forthcoming). This effect may arise from demand-side factors, such as discrimination against Aborigines in the labour market. Aborigines may also suffer reduced employment opportunities because a larger proportion of them live in locations where there are few 'real jobs'. There may also be supply-side factors which limit the ability of Aboriginal people to find employment; those, for example, living on outstations may be unwilling to move in order to find work. For these people, such benefits as Newstart should really be thought of as providing income support for people who prefer a more traditional lifestyle (Altman 1991). Another example of a supply-side factor which appears to limit the employment opportunities of Aboriginal people is their lower level of educational attainment (Daly forthcoming). Raising the education and skill levels of Aboriginal people should assist them in finding mainstream employment.

The growth of the CDEP scheme has reduced the numbers of unemployed Aboriginal people in receipt of DSS pensions (Altman and Smith 1992). Such a scheme combines both employment and training elements and an income support element (Altman and Sanders 1991a). Whether Aboriginal people moving from an employment-related social security benefit to CDEP should be thought of as moving off welfare is a contentious issue. In those communities where a 'no work, no money' approach applies, CDEP participants are clearly no longer in receipt of 'sit down money' and should perhaps be thought of in the same light as any other public sector employee. Other CDEP communities do not insist on work in return for income. In these cases, CDEP participants may more closely resemble other welfare recipients in the wider community. The existence of a scheme like the CDEP scheme obfuscates the distinction between those in employment and those who are not. While the scheme may help the government achieve its AEDP goal of reduced welfare dependence as measured by receipt of Jobsearch and Newstart, many of the underlying problems of Aboriginal people such as low levels of income, will not be solved by the CDEP scheme (Altman and Daly 1992).

The relatively high level of Aboriginal welfare dependence also reflects their poor health status compared with other Australians.¹¹ More Aboriginal people were on sickness or invalid pensions than other Australians, and this problem is likely to be reduced only by improvements in the underlying health status of Aboriginal people. Poor health also has implications for the ability of an individual to take up and retain employment.

A final issue raised by the data presented in this paper is the differences in the structure of Aboriginal and other Australian families. According to the 1986 Census, one-third of Aboriginal families were one parent families, compared with 13 per cent of all Australian families. Given this difference, it is not surprising to find more Aboriginal women who are not in the

labour force but reporting an independent income. The sources of this difference are complex and probably reflect longstanding cultural differences, as well as the economic effects of unemployment and low income on family structure (Finlayson 1991).

This paper has gathered the recent available evidence from official sources to document the extent of Aboriginal welfare dependence. By all the measures used here, Aboriginal people have a higher level of dependence on welfare transfers from government than other Australians. The conclusions highlight the need to address the underlying sources of this welfare dependence.

Notes

1. The terms Aborigine and Aboriginal will be used here to refer to the Aboriginal and Torres Strait Islander populations of Australia.
2. Reported in Fisk (1985), Table 5.2. A recent discussion of the issue of Aboriginal dependence on welfare income and a survey of case study evidence can be found in Altman and Smith (1993).
3. This figure for 1976 is somewhat higher than Fisk's estimates of 51 per cent of money income from employment in 1976 (Fisk 1985: 79), if the following categories from Fisk's table are included as income from employment: sale of artefacts, profits of grazing, wages etc.
4. These categories are derived from the section-of-State variable in the census. The three settlement size categories used here are defined as follows: an urban centre is 'one or more adjoining collection districts with urban characteristics and representing a population cluster of 1,000 or more people' (ABS 1986: 150). Major urban centres had over 100,000 inhabitants and other urban areas between 1,000 and 99,999 inhabitants. The rural category used here includes both ABS categories 'rural locality' and 'rural balance'. Localities include population clusters which can 'be expected to contain at least 200 people (but not more than 999) by the next census; have at least 40 occupied non-farm dwellings with a discernible urban street pattern; have a discernible nucleus of population' (ABS 1986: 97). The rural balance includes all the collection districts not included elsewhere (ABS 1986: 132).
5. Results from the Household Expenditure Survey of the Australian population show that on average, in 1974-75, 4.8 per cent of total household income came from government benefits. This share rose to 11.5 per cent in 1984 and 10.1 per cent in 1988-89 (ABS 1978, 1987, 1990). These data are consistent with an increase in the number of pension and benefit recipients.
6. People were asked to specify all the pensions or benefits they were receiving as it was possible for individuals to be in receipt of more than one pension or benefit. The majority of recipients did receive only one; about 90 per cent of people receiving a benefit or pension. As the original question included the option of receiving a superannuation payment, a type of privately funded benefit not included in Table 1, the percentage receiving two types of government funded pensions would be less than 10 per cent. It has therefore been assumed that each person received only one type of benefit or pension.

7. If people are only unemployed for a short time, they may not collect unemployment benefit. Gregory and Foster (1984) report that the mean duration of unemployment in 1976 was 17.5 weeks and 59 per cent of the unemployed were out of work for less than three months (Table 3).
8. The life expectancy of Aboriginal people in the 1980s varied by region across Australia and estimates put it at between 10 and 20 years less than that of the total Australian population (Saggers and Gray 1991).
9. These DEET figures include some double counting as individuals may participate in more than one labour market program in one year. It is also possible for double counting to occur when individuals participate in both DEET and ATSIC programs in one year. These figures do not include Abstudy recipients. In 1991, there were 40,281 students of all ages receiving money through this program.

Assistance was provided under the TAP program in 1991 in the form of wage subsidies for on-the-job training and work experience in the public and private sectors and assistance for classroom-based learning (Johnston 1991). Jobtrain provides assistance for training courses and the SkillShare Program funds community-based organisations to provide training for the long-term unemployed. (DEET 1992).

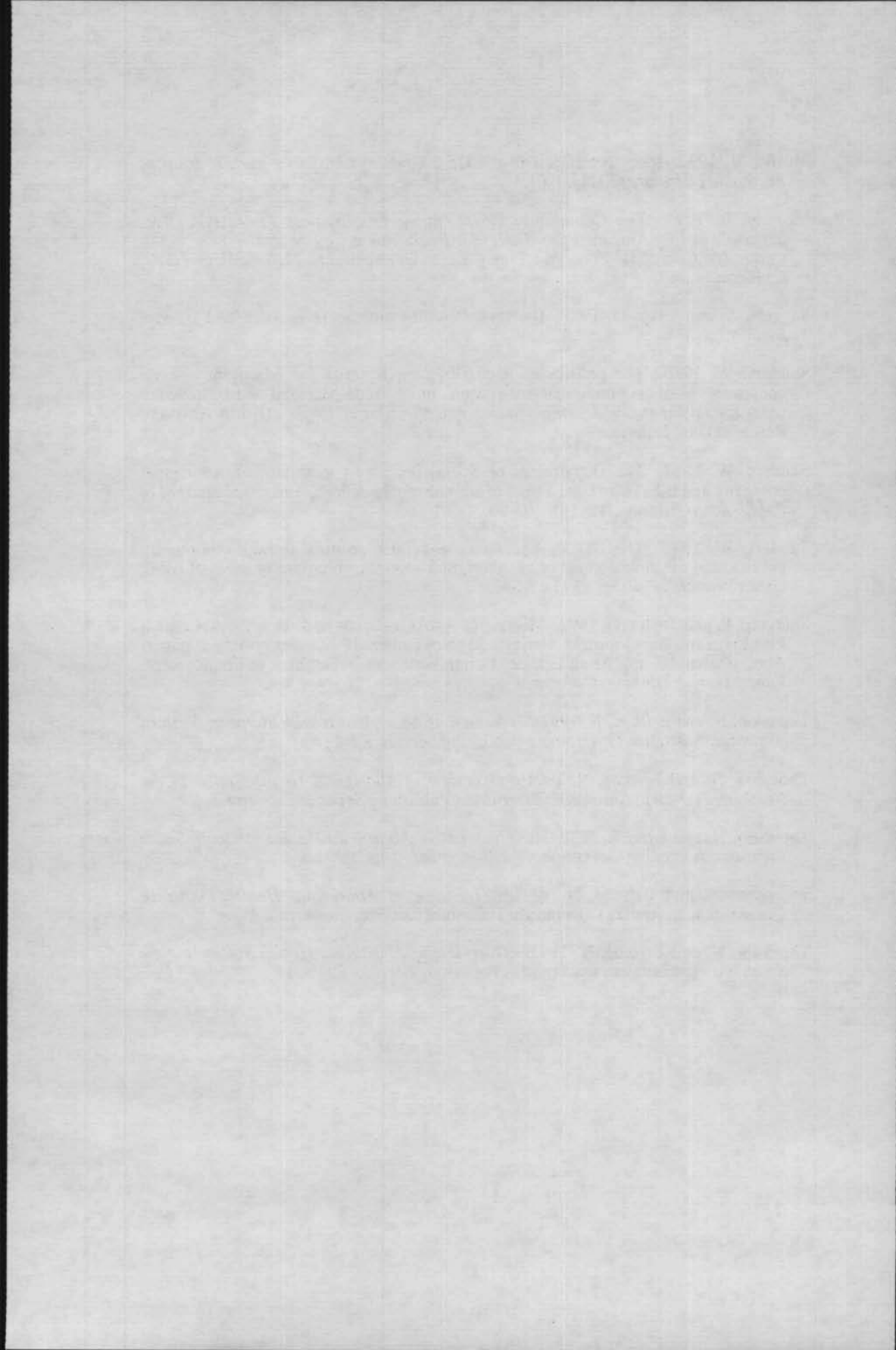
10. See Sanders (1988); Altman and Sanders (1991b); Morony (1991); and Altman and Daly (1992) for fuller discussions of the CDEP scheme.
11. There is a large literature on the health status of Aboriginal people. See, for example, Saggers and Gray (1991); Gray (1990); and a series of state-based reports by Thomson and Briscoe (1991a, 1991b, 1991c, 1991d, 1991e).

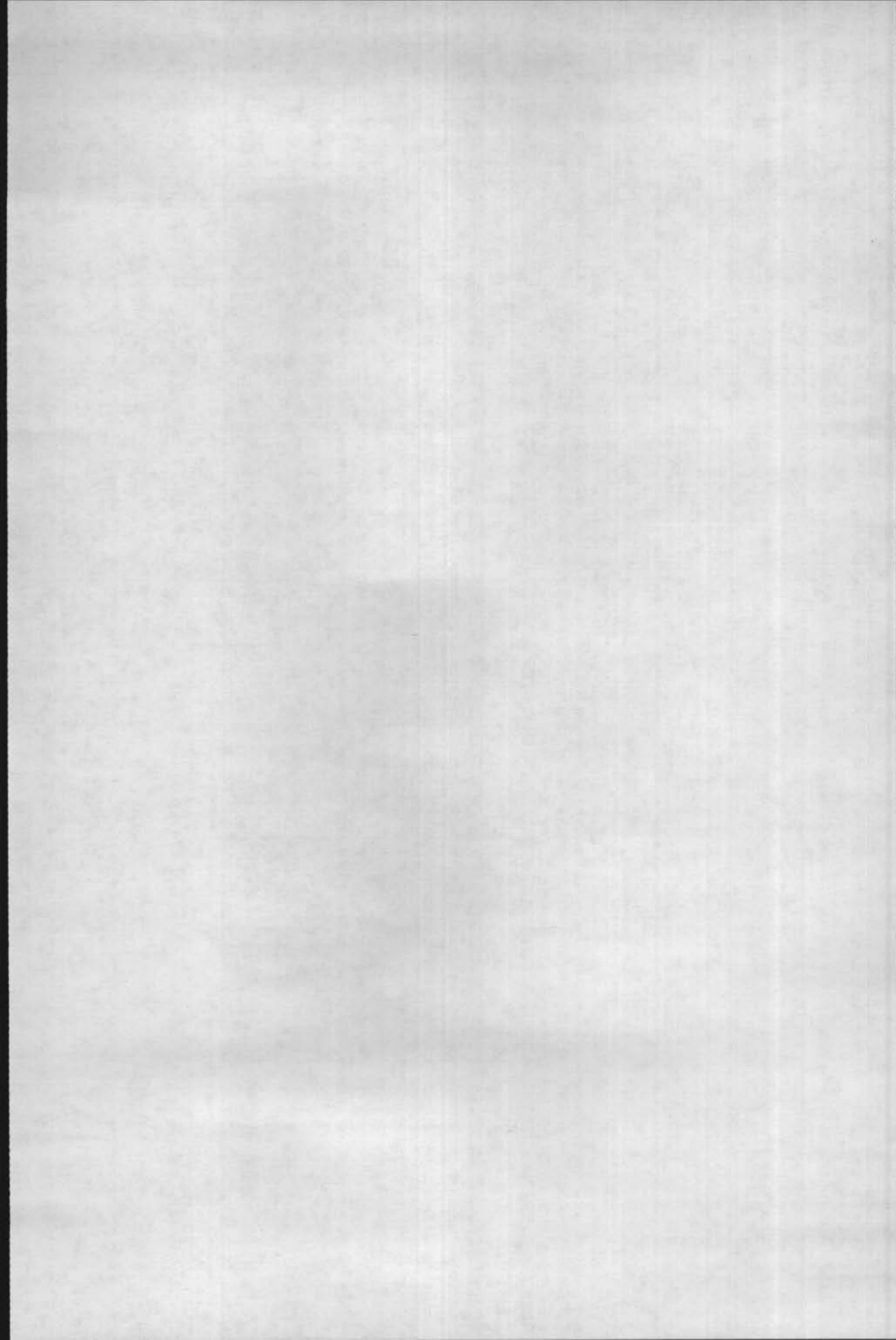
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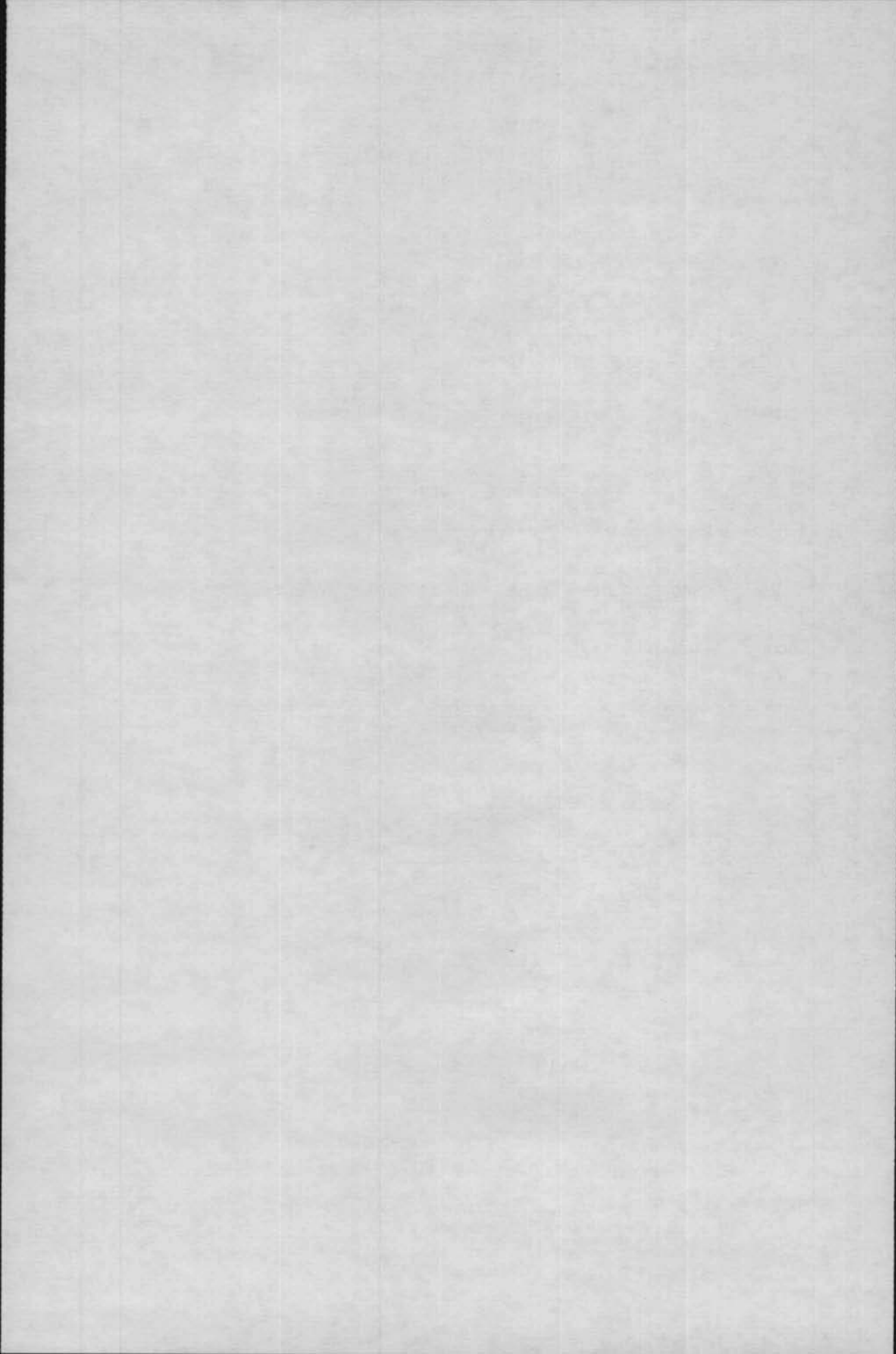
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