

# Mature age labour force participation

## How do Regions Differ?

### Background and purpose

Population ageing will significantly impact on Australia's labour supply in coming decades. Labour markets across and within Australia's states and territories will react to this differently, due to different rates and speeds of ageing in the country and differences in labour demand and local economies.

The purpose of this report is to examine differences in mature age participation in the labour force both across and within Australia's states and territories. This report investigates the past, current and future characteristics of the participation of mature age people in the labour force.

### Research methods

This report uses a range of data sources from the Australian Bureau of Statistics (ABS) to inform analyses of labour force participation rates, population and labour supply projections.<sup>1,2,3</sup>

The results are presented for three distinct geographic levels:

- National level: results for Australia as a whole
- State level: results across six states and two territories
- Sub-state level: results by capital city and the remainder of the state (referred to as metropolitan and non-metropolitan areas).

## Key Findings

### Historical analysis labour force participation

The past 30 years have seen a significant increase in the participation of mature age people in the Australian labour force. There was a large increase in female mature age labour force participation over the period. In 1982 just 44% of females aged 50–54 years were in the labour force compared with 56% in 1992, 69% in 2002 and 77% in 2012.

For males, the major increase in participation for all age groups over 50 occurring during the last 10 years.

Approximately 50% of males aged 60–64 participated in the labour force during the entire 1982–2002 period, but this increased to 62% in the final 10 year period to 2012.

This general pattern for males and females was replicated at the state level, with some interesting state differences for males. For example, in Western Australia, the growth in male mature age participation commenced 10 years earlier, with substantial growth throughout 1992–2012. These results likely reflect the higher level of labour demand in the west, associated with the mining boom.

### Analysis of current labour force participation

Currently, labour force participation by mature age people in New South Wales, Victoria and Queensland is broadly consistent with the national pattern. Tasmania and South Australia have slightly lower proportions of mature age people in the labour force when compared to the Australian average.

Within every state, the proportion of mature age employees working full-time is higher in capital cities when compared to their non-metropolitan counterparts. Non-metropolitan mature age people are more likely to be employed part-time or not in the labour force when compared to those in the city.

### Analysis of future of mature age employment

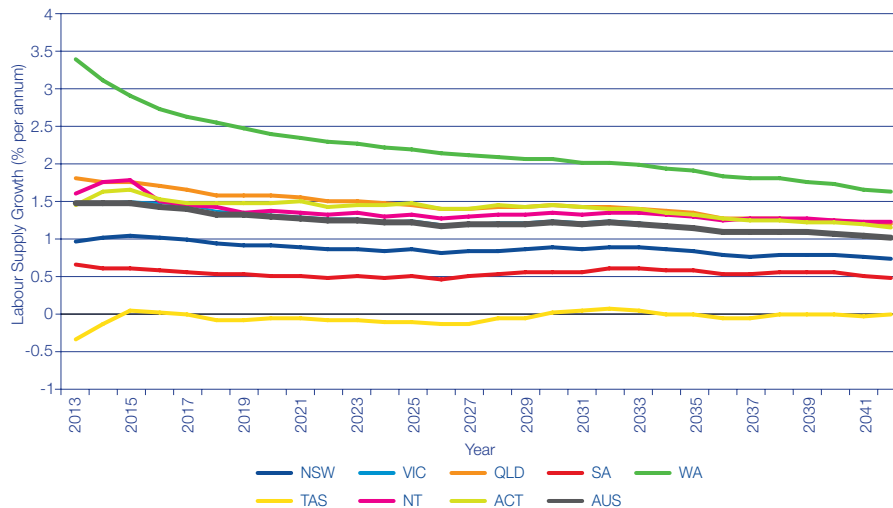
The Australian population will age significantly over the next 30 years, with the percentage of the population aged 65 years and over projected to increase from about 14% in 2012 to over 20% in 2042 and 25% in 2062. The level of population ageing is higher in Tasmania and South Australia when compared to other states and all of Australia.

The proportion of the labour supply made up of people over 65 is projected to increase while the proportion of people of traditional working age (15–64 years) is set to decline. Australia's labour supply growth is projected to decline from the current level of around 1.5% per annum to just above 1% per annum by 2042 (Figure 1).

Projected labour supply growth will decline in each state and territory, and be lowest in Tasmania and South Australia and highest in Western Australia.

For each capital city, the labour supply growth is currently, and projected to be, higher than the non-metropolitan counterparts. This is because the non-metropolitan populations are ageing more rapidly than their capital city counterparts.

**Figure 1: Labour supply growth, states and territories, 2012–2042**



Further increases in mature age labour force participation will help offset the negative impact of population ageing on labour supply growth.

## Conclusions

Results from this study show that there are already considerable differences in: (1) the level and historical development of mature age participation; (2) mature age employment across Australia's regions; and (3) the speed with which the population ages and grows in the states and territories. These differences feed through to the growth of labour supply and ageing of labour markets. Declining growth in labour supply underscores the need for governments, industry and employers to implement strategies to ensure that growth in mature age employment will continue into the future.

1. Australian Bureau of Statistics, Population by age and sex, regions of Australia, cat. no. 3235.0, ABS, Canberra, 2013.
2. Australian Bureau of Statistics, TableBuilder Pro, ABS, Canberra, 2012.
3. Australian Bureau of Statistics, Labour force Australia, Detailed, cat. no. 6291.0.55.001, ABS, Canberra, 2013.

### Further information

This short report summarises a National Seniors Productive Ageing Centre (NSPAC) research report: Temple J. *Past, present and future of mature age labour force participation in Australia: How do regions differ?* Melbourne; National Seniors Productive Ageing Centre: 2014 (full report available at [productiveageing.com.au](http://productiveageing.com.au), or by contacting NSPAC at [info@productiveageing.com.au](mailto:info@productiveageing.com.au) or on 03 9650 6144).

### About National Seniors Productive Ageing Centre

National Seniors Australia (National Seniors) is a not-for-profit organisation that gives voice to issues that affect Australians aged 50 years and over. It is the largest membership organisation of its type in Australia with more than 200,000 members and is the fourth largest in the world.

National Seniors Productive Ageing Centre (NSPAC) is an initiative of National Seniors and the Australian Government. NSPAC's aim is to improve quality of life for people aged 50 and over by advancing knowledge and understanding of all aspects of productive ageing.

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