The Changing Nature of Work in Tasmania

We are pleased to be launching the Institute Insight Series. These insight reports will summarise research into social and economic change in Tasmania and beyond, to promote community discussion and policy debate. With the Tasmanian economy in transition and a state election looming, our initial focus will be on the changing nature of work in Tasmania; which industry sectors and regions are growing, who is being employed and on what basis. Understanding these complex dynamics is vital for government, business and the wider community.

Our detailed analysis of the changing nature of work in Tasmania has been conducted by ISC Research Fellow and demographer Lisa Denny, based on just-released 2016 Census data. Our aim is to provide a greater understanding of the complexity of the labour market in Tasmania to inform policy development across a range of areas such as education and training, youth employment, regional development, older worker engagement and workforce planning.

Professor Richard Eccleston

Key findings

- The Tasmanian workforce is ageing at a faster pace than population growth
- There has been a marked shift away from full time employment to part time work. There were 936 fewer Tasmanians in full time employment and 14,221 more Tasmanians in part time work in 2016 than in 2006
- Younger Tasmanians are experiencing delayed and protracted entry into the workforce
- Older Tasmanians are prolonging their working lives
- Men are ‘disappearing’ from the workforce; fewer men were participating in the labour force for all age groups (except those older than 55) in 2016 than in 2006
- Women’s engagement with the workforce is increasingly interrupted over the life span
Introduction

Global economic, social and demographic change during the 21st Century is impacting on the way people engage with work. Tasmania is not isolated from these developments, yet the state’s experience is vastly different to that at a national level. Like much of the developed world, the transition from traditional, labour intensive industry sectors based on resource extraction, manufacturing and agriculture to knowledge and service based industries is redefining the way in which we work, as well as the wider relationship between workers, employers and the education system. In Tasmania’s case, the ageing population, low levels of educational attainment and higher levels of economic vulnerability provide ongoing challenges to Tasmania’s future economic and social prosperity.

Using 2016 ABS Census of Population and Housing (Census) data, the Insight Series will explore the relationship between Tasmanians and the labour market and how this has changed since the 2006 Census. The Census allows examination of relationships between many variables from population level data. The economic climate in Tasmania 2006 was similar to that in 2016 with the state economy growing steadily from a relatively weak base. The detailed analysis of Census data across this 10 year period therefore provides an excellent basis to examine structural changes in the nature of work for all Tasmanians.

Insight One focuses on how Tasmanians engage with the labour market. Forthcoming reports will include analyses of:

- changing industry composition
- changing occupations
- how engagement with employment differs by regions
- the experience of youth and older people in the labour market, and
- the rise of self-employment and the gig economy.

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<th>Table 1. Population Change, Tasmania and Australia 2006 to 2016</th>
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Source: ABS Census of Population and Housing, 2006, 2016; author calculations

Tasmania’s workforce

At the time of the 2016 Census, the Tasmanian population was 509,961, of which 77.1 per cent were 15 years and over; the labour market. In the ten years since 2006 the overall population grew 7.0 per cent and the potential workforce (those aged 15 years and older) grew by 9.7 per cent. However, the proportion of Tasmanians of traditional working age -- 15 to 64 years -- decreased by 6.0 per cent, confirming the effect of population ageing on the size and proportion of the labour market. At a national level, the experience differs considerably. Australia’s higher rate of population growth since 2006 effectively increased the proportion of the population of traditional working age and slowed the rate of workforce ageing. Given the age profile of the Tasmanian population and workforce, the future trajectory will also differ to that of Australia. As the population continues to age as a result of demographic change, the workforce will also age, further reducing the proportion of the population of traditional working age. Tasmania-specific policy intervention will be required to maximise opportunities for Tasmanians in the rapidly changing work and economic environment.
This effect is also evident in the proportion of the Tasmanian population participating in the labour force. In the ten years since 2006, the labour force participation rate decreased by 1.2 percentage points or 3.0 per cent. The considerably lower decline in the labour force participation rate compared with the decline in the proportion of the working age population between 2006 and 2016 is explained by changes in age specific labour force participation rates.

Since 2006, the labour force participation rate for those aged 55 and older increased considerably, indicating either successful policy intervention to attract and retain older people in the workforce, increased confidence in the labour market, or necessity. Over the same period, the labour force participation rate declined for the two youngest age groups. All other age groups increased slightly as per Figure 1. The decline in participation by younger age groups is likely to be attributable to longer engagement in schooling and further education before entering the workforce.\(^1\)

\(^1\) An exploration of youth engagement in education and work in Tasmania will be undertaken in a forthcoming Institute Insight.

**Figure 1.** Age Specific Labour Force Participation Rates, Tasmania, 2006 and 2016 and change

With the growth in part-time work and changing labour force participation rates, the level of engagement with the workforce altered considerably between 2006 and 2016. In 2006, more than a third of the workforce was employed full time (33.9 per cent). By 2016, the proportion employed full time declined by 8.6 per cent (equivalent to 936 fewer people working full time than in 2006) to 31.0 per cent. In addition, part time employment increased by 11.6 per cent to around one fifth of the workforce (14,221 more people working part time). With the unemployed, there was a marked shift away from those seeking full time work (the number of which grew by 240 people over the 10 years to 2016) to those seeking part time work (an increase of 1,712 people).
Engagement with the workforce by age

The extent of the changing nature of work is evident when the level of engagement with the workforce is analysed by age. For all age groups there was a decline in the proportion of the workforce employed full time and an increase in the proportion employed part time between 2006 and 2016, particularly for those aged 15 to 29 years and 60 to 64 years of age.

For 15 to 19 year olds in the labour force, the proportion employed full time declined by 12.2 percentage points and those employed part time increased by 9.8 percentage points.

For 20 to 24 year olds, the proportion employed full time declined by 8.7 percentage points and those employed part time increased by 8.2 percentage points.

For 25 to 29 year olds, the proportion employed full time declined by 4.5 percentage points and those employed part time increased by 4.8 percentage points.

For 30 to 34 year olds, the proportion employed full time declined by 3.3 percentage points and those employed part time increased by 8.2 percentage points.

For 35 to 39 year olds, the proportion employed part time increased by 11.6 percentage points to around one fifth of the workforce.

For 40 to 44 year olds, the proportion employed full time declined by 8.6 percentage points (equivalent to 936 fewer people working full time than in 2006) to 31.0 per cent. In addition, part time employment increased by 11.6 per cent to around one fifth of the workforce.

For 45 to 49 year olds, the proportion employed full time declined by 4.5 percentage points and those employed part time increased by 8.2 percentage points.

For 50 to 54 year olds, the proportion employed full time declined by 3.5 percentage points and those employed part time increased by 8.7 percentage points.

For 55 to 59 year olds, the proportion employed part time increased by 11.6 percentage points.

For 60 to 64 year olds, the proportion employed full time declined by 3.3 percentage points and those employed part time increased by 4.7 percentage points.

In addition, for those aged 15 to 19 years and 20 to 24 years a greater proportion were unemployed than in 2006, up 3.9 percentage points and 2.1 percentage points respectively.
Changing nature of work for men and women

The changing nature of work differs for men and women. Since 2006, the proportion of men engaged with the workforce declined, while the proportion of women engaged with the workforce increased. For both men and women there was a shift away from full time employment to part time work. For women, the proportion employed part time increased 3.2 per cent to account for almost half of the female working population, 49.2 per cent.

The changing nature of work differs considerably for men and women when the level of engagement with the workforce is considered by age group. For men, since 2006:

- The proportion of the workforce employed full time declined for all age groups except those aged 15 to 19 years, and particularly for those aged 55 to 64 years.
- The proportion of the workforce employed part time increased for all age groups, particularly for those aged 15 to 29 years and 60 to 64 years.
- The proportion participating in the labour force declined for all age groups, except those aged 60 to 64, and particularly for those aged 15 to 29 years.

For the younger age groups, increased participation in schooling and education is likely to affect engagement with the labour market.

The proportion employed part time increased for all age groups, particularly for those aged 15 to 29 years and 60 to 64 years.

The proportion unemployed increased for all age groups except those aged 60 to 64, and particularly for those aged 15 to 29 years.

For the younger age groups, increased participation in schooling and education is likely to affect engagement with the labour market.

Source: ABS Census of Population and Housing, 2006, 2016; author calculations
For women, since 2006;

The proportion participating in the labour force increased for all age groups, except those aged 15 to 19 years, and particularly for those aged 55 to 64 years and 30 to 39 years.

The proportion of the workforce employed full time declined for all age groups, except those aged 40 to 44 years and 55 to 59 years, and particularly for those aged 15 to 24 years.

The proportion of the workforce employed part time increased for all age groups.

The unemployed proportion of the workforce remained relatively stable for all age groups, slightly more for those aged 15 to 19 years and 60 to 64 years.

Like men, for the younger age groups, increased participation in schooling and education is likely to affect engagement with the labour market. For all other age groups, increased participation in the workforce by women suggests successful policy intervention, particularly in the child-bearing years and post child-rearing years, either through desire or necessity.

**Figure 6.** Labour Force Status by five year age group, percentage point change, 2006 to 2016, women

*Source: ABS Census of Population and Housing, 2006, 2016; author calculations*
The changing nature of work in Tasmania

Not only is Tasmania’s workforce ageing, the way in which we engage with work is changing. This process of change differs for men and women and by age. As younger generations stay in schooling and further education for longer, their entry into the workforce is delayed. However, the process of gaining employment is also protracted, as evident from increased part time employment and unemployment. Changes in retirement savings policy combined with increased life expectancy more generally has extended participation in the workforce for older people.

While men have a consistent pattern of engagement with the workforce over the life span, there is evidence of the ‘disappearing working man’. For all age groups, except those aged over 55, the proportion of men participating in the labour force is lower in 2016 than in 2006. Entry into the workforce is delayed and taking longer while the proportion engaged in the workforce is diminishing with age, after peaking at age 30 to 34 years. Full time employment is decreasing while part time employment and unemployment is increasing until ages 50 to 54 years.

For women, particularly those of child bearing and rearing ages, engagement in the labour market has improved since 2006, suggesting both successful policy intervention to increase participation of women and a shift away from traditional cultural norms of breadwinner and caregiver roles in the family, as well as desire and necessity to engage in (paid) work. However, our demographic analysis of Census data supports other evidence that workforce engagement for most women is disrupted over the life-span.

The changing gender mix is also in part due to economic restructuring and subsequent sectoral shifts which will be the focus of the next Institute Insight.

**Figure 7. Age Structure, population and labour force, Tasmania, 2016**

Source: ABS Census of Population and Housing, 2006, 2016; author calculations
Policy Implications

Given Tasmania’s ageing population and hollowing out of the age structure, there are already more people potentially exiting the workforce than entering it, based on the traditional working ages of 15 to 64 years. This provides both opportunities and challenges for policy development.

Ageing workforces combined with rapidly changing skill requirements as a result of economic restructuring will result in increased demand for education and training for both existing workers and new labour market entrants. Provision of appropriate future-focused education and training will be essential to ensure Tasmanians have the opportunity to engage in meaningful work.

The shift away from the traditional industrial sectors to knowledge and services industries, most notably the care and tourism sectors in Tasmania, will have implications for existing workers, particularly men, with the potential to further exacerbate the ‘disappearing working man’ phenomenon. Policies to ensure transferable skills and awareness of employment opportunities through better projecting (and communicating) labour and skill demand will be critical.

A considerable proportion of working age Tasmanians are not participating in the workforce. Without proactive policy intervention to respond to both the ageing workforce and the restructuring of the economic base, Tasmanians — and future generations — are at risk of disengaging further from the labour force. Policy intervention needs to consider education and training for work, transferable skill development, participation strategies by age, sex and stage in the life course. Policy must focus on job creation, not just economic growth.

Lisa Denny, Research Fellow,
Institute for the Study of Social Change,
University of Tasmania.