

Slide 1

  
Australian Government  
Department of Employment

# Canberra Labour Market

May 2014

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Department of Employment

[www.employment.gov.au](http://www.employment.gov.au)

## How is the ACT labour market performing?

- **Unemployment rate remains below the national rate** - 3.8 per cent as at April 2014 compared with 5.8 per cent for Australia
- **Employment growth has slowed** – 0.8 per cent over the year to April 2014, compared with 2.0 per cent growth for the previous year
  - Significant decline in female full-time employment over the last year
- **Labour market conditions have been easing** - recruitment activity falling, increased competition for fewer vacancies
- **One in three workers directly employed in the public sector** – Federal budget tightening likely to have a significant impact

Source: ABS, Labour Force Survey, April 2014 (12 month averages of original data); Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, 2012 & 2013

### How is the ACT labour market performing?

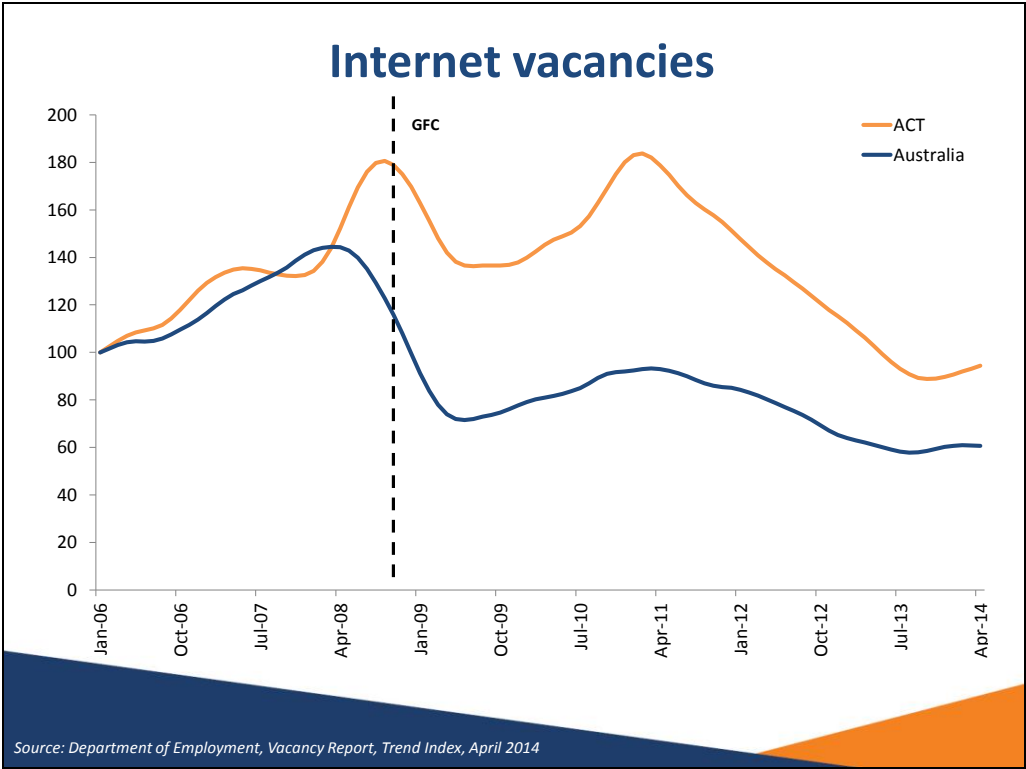
*Source: ABS, Labour Force Survey, April 2014 (12 month averages of original data); Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, 2012 & 2013*

As at April 2014, the unemployment rate for the ACT was 3.8 per cent, well below the national rate of 5.8 per cent.

Employment growth in the ACT has slowed, recording growth of only 0.8 per cent over the 12 months to April 2014, compared with 2.0 per cent growth for the previous year. There has also been a significant decline in the number of females employed full-time.

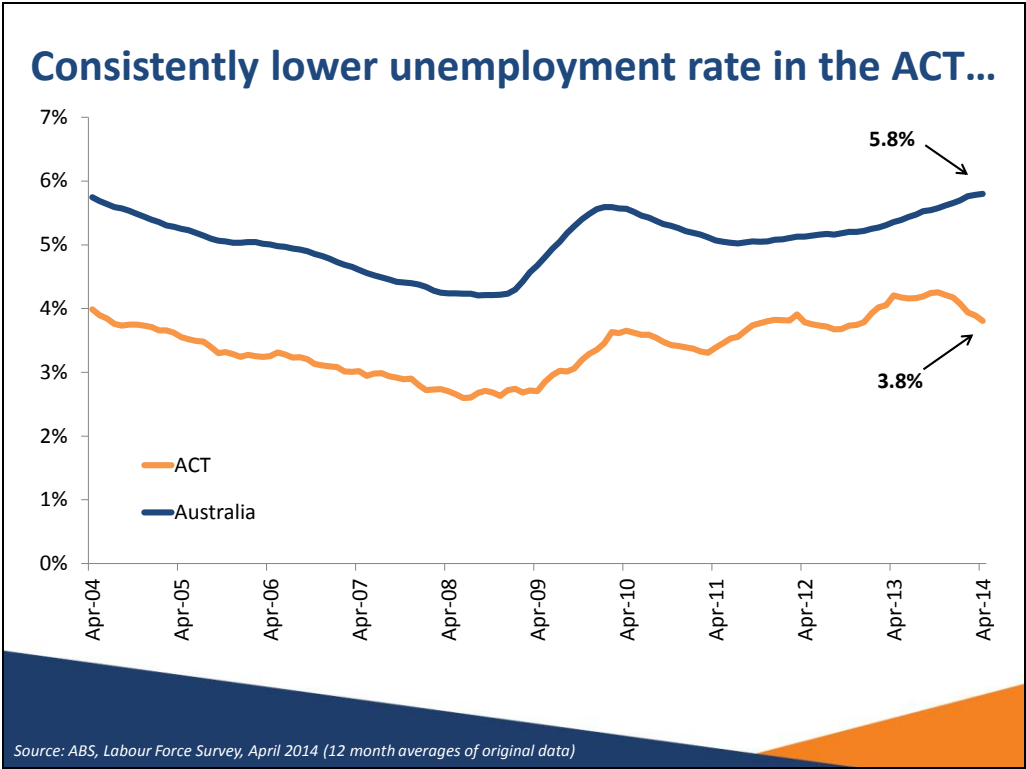
Labour market conditions have been easing in the ACT with recruitment activity falling and increased competition for fewer vacancies.

With one in three workers directly employed in the public sector, federal budget tightening is likely to have a significant impact.



**Internet vacancies**

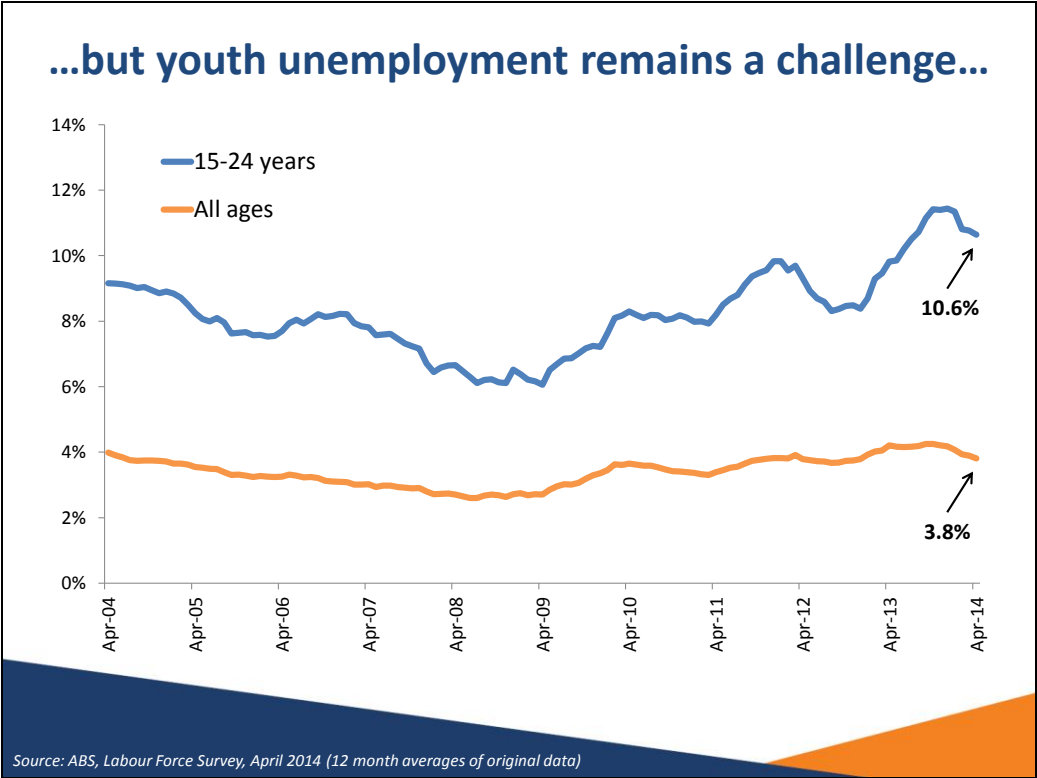
Source: Department of Employment, Vacancy Report, Trend Index, April 2014



**Consistently lower unemployment rate in the ACT...**

Source: ABS, Labour Force Survey, April 2014 (12 month averages of original data)

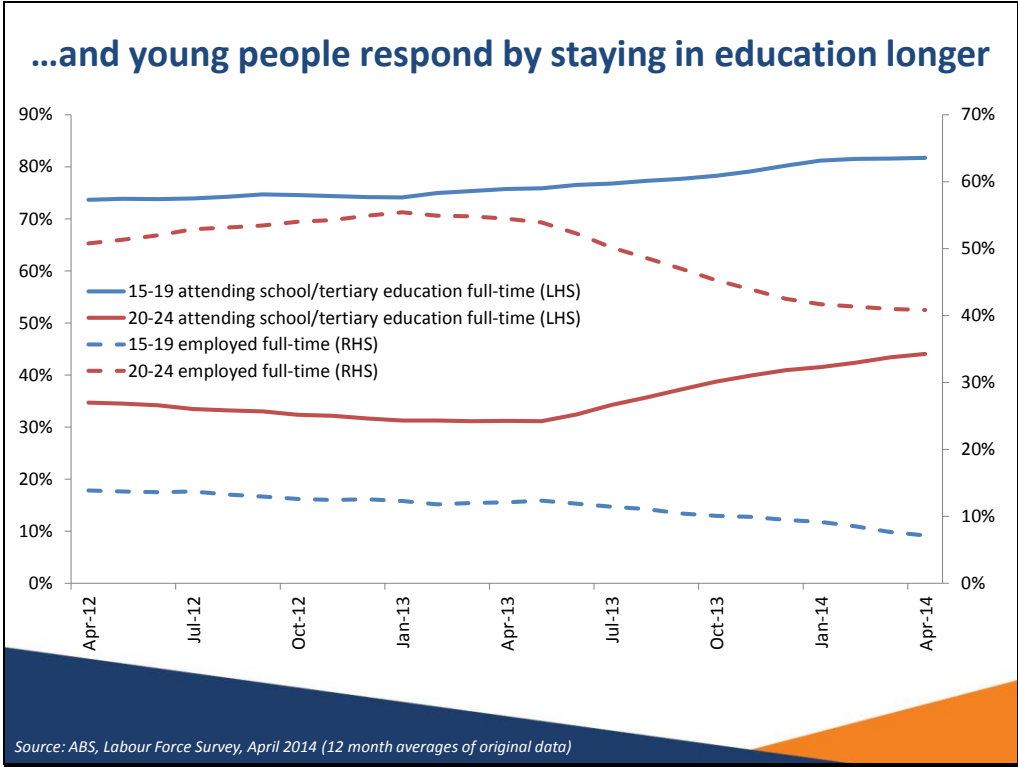
The unemployment rate for the ACT was 3.8 per cent as at April 2014, well below the national rate of 5.8 per cent.



**...but youth unemployment remains a challenge...**

Source: ABS, Labour Force Survey, April 2014 (12 month averages of original data)

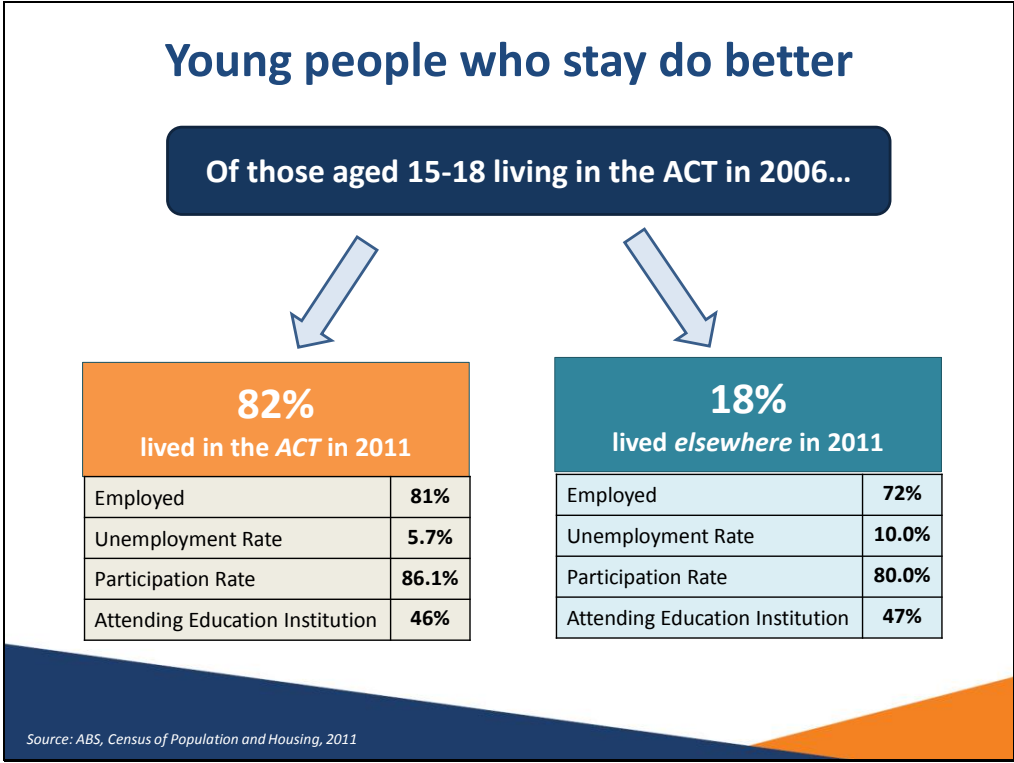
In the ACT, for persons aged 15 to 24 years, the unemployment rate was 10.6 per cent as at April 2014. This rate is significantly higher than the unemployment rate at for all ages (3.8 per cent).



**...and young people respond by staying in education longer**

Source: ABS, Labour Force Survey, April 2014 (12 month averages of original data)

Over the past two years, an increasing proportion of young people (aged 15 to 24) are attending school or tertiary education full-time and a smaller proportion are working full-time.

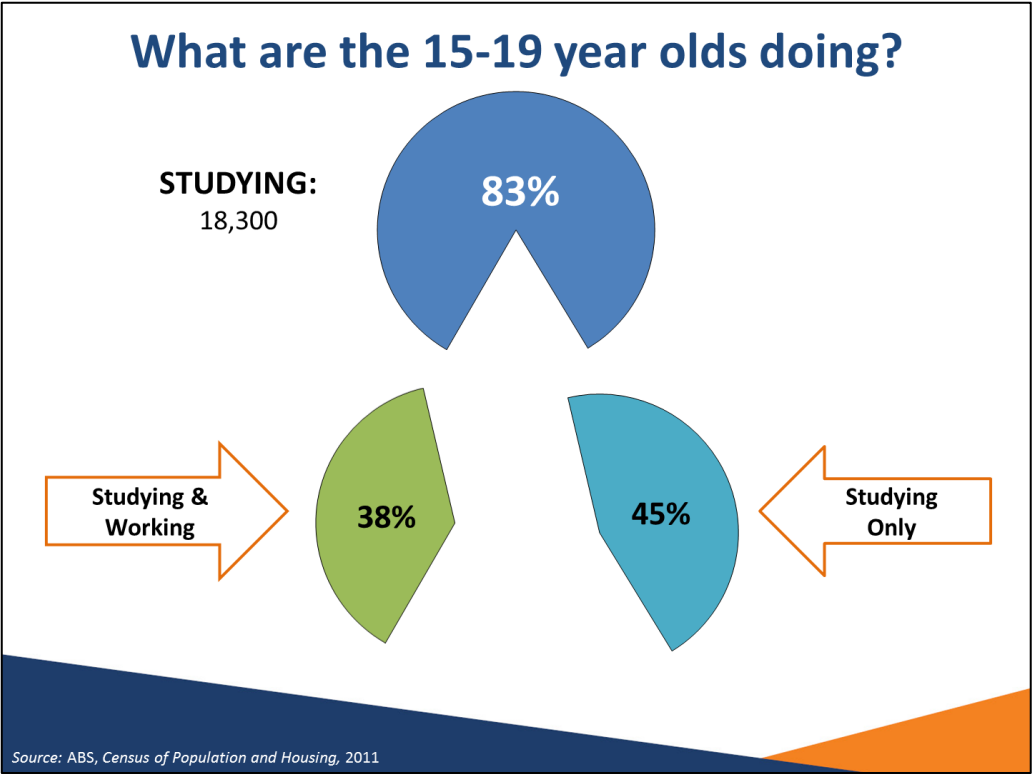


**Young people who stay do better**

Source: ABS, Census of Population and Housing, 2011

Of those aged 15 to 18 years living in the ACT in 2006, 82 per cent were also living in the ACT at the time of the 2006 Census.

Compared with the 18 per cent who were living elsewhere in 2011, the people who stayed were more likely to be employed and had a lower unemployment rate.

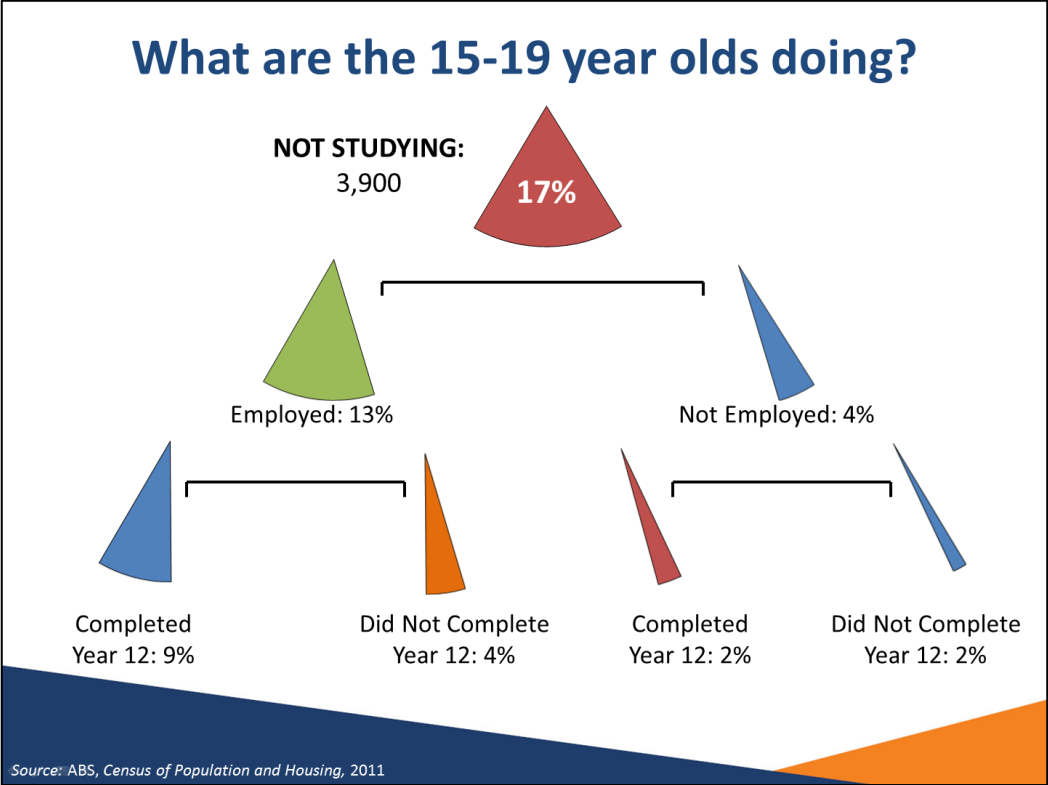


**What are the 15-19 year olds doing?**

*Source: ABS, Census of Population and Housing, 2011*

At the time of the 2011 Census, 83 per cent of 15 to 19 year olds living in the ACT were studying. Of those studying, 38 per cent were also working while 45 per cent were studying only.

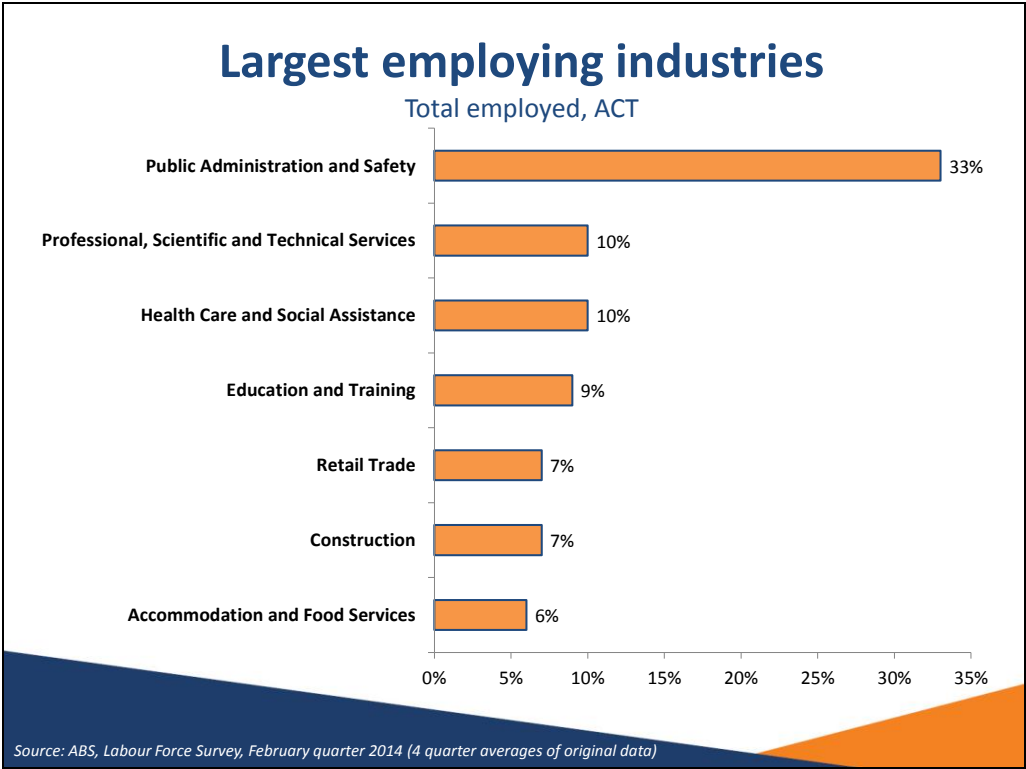




**What are the 15-19 year olds doing?**

Source: ABS, Census of Population and Housing, 2011

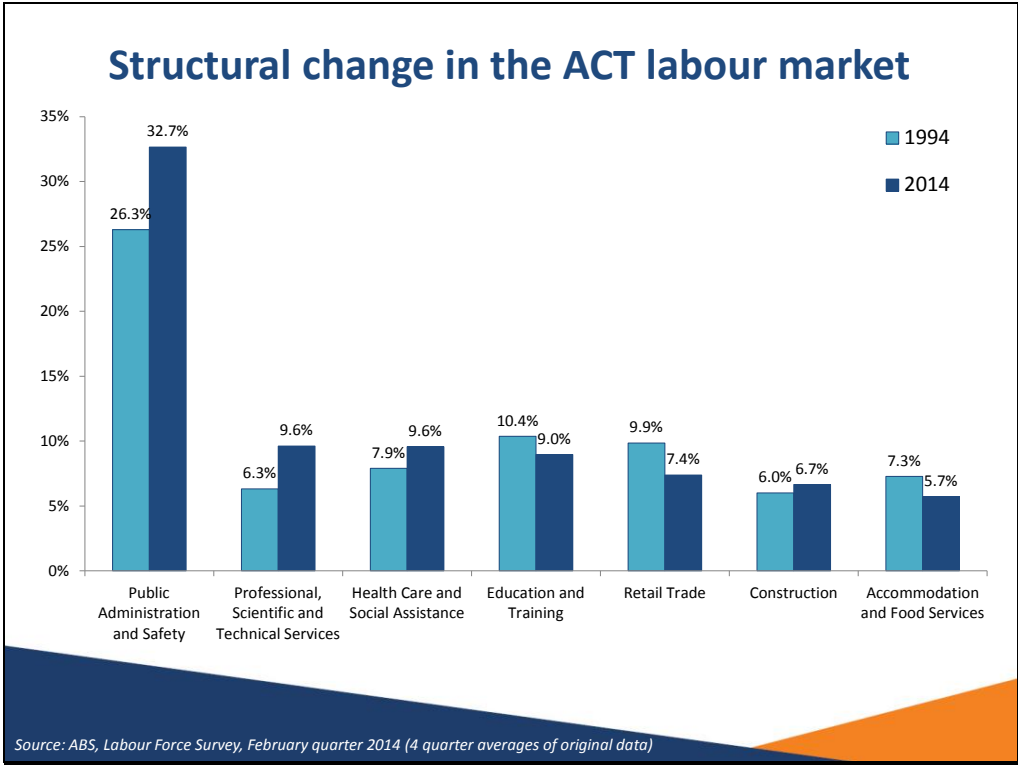
At the time of the 2011 Census, 17 per cent of 15 to 19 year olds living in the ACT were not studying. Of those not studying, 13 per cent were employed while 4 per cent were either unemployed or not in the labour force.



**Largest employing industries**  
**Total employed, ACT**

Source: ABS, Labour Force Survey, February quarter 2014 (4 quarter averages of original data)

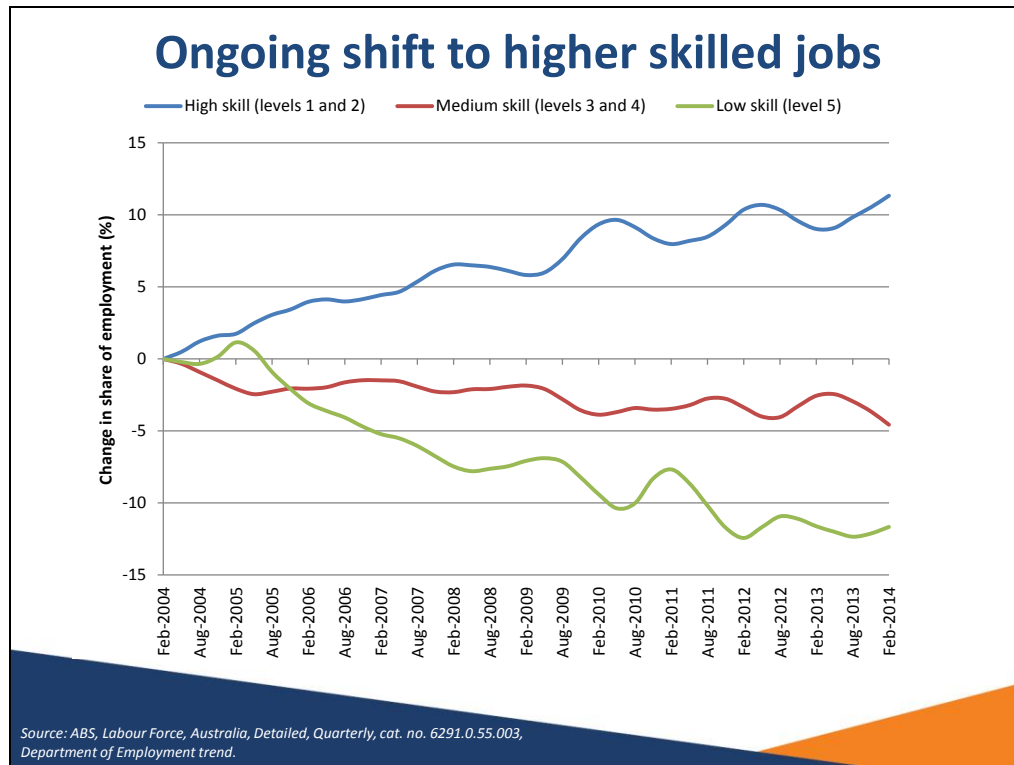
Public Administration and Safety is the largest employing industry, accounting for one third of total employment in the ACT. Professional and, Scientific and Technical Services and Health Care and Social Assistance are also large employing industries in the ACT.



**Structural change in the ACT labour market**

Source: ABS, Labour Force Survey, February quarter 2014 (4 quarter averages of original data)

This chart illustrates how the ACT’s industry employment composition has changed over the last 20 years. Even 20 years ago, Public Administration and Safety was the largest employing industry in the ACT.



### Ongoing shift to higher skilled jobs

Source: ABS, Labour Force, Australia, Detailed, Quarterly, cat. no. 6291.0.55.003, Department of Employment trend.

The attainment of educational qualifications remains important given the strong past and projected growth of higher skilled occupations, as well as the lower unemployment rates recorded for people with higher qualifications.

Looking over the 10 year period from August 2003 to August 2013, it is clear that jobs at the higher skill levels (Skill Level 1, commensurate with a Bachelor degree or higher qualification and Skill Level 2, commensurate with an Associate Degree, Advanced Diploma or Diploma) are increasing as a proportion of overall employment – up from 37.0 per cent to 41.1 per cent. At the same time, jobs at the lowest skill level (Skill Level 5, commensurate with compulsory secondary education or a Certificate I) are diminishing as a proportion of total employment from 19.9 per cent to 17.5 per cent.

**What this means for school leavers** is that yes, you may get a job when you leave school, **BUT** you may not experience the same employment stability or earn as much as those students whose education choices set them up for a career, rather than a series of low skilled jobs.

The key technical and trade group at skill level 3, corresponding to a Certificate IV or a formal apprenticeship, is declining as a share of employment, but growth rates vary considerably within this category (see next slide).

Note: This chart plots the percentage change in the percentage shares of employment from August 2003 onward. Source: ABS Labour Force Survey data to August 2013, seasonally adjusted and trended by the Department of Employment.

## Recent occupation growth in the ACT

Change in persons employed in the 12 months to February 2014

Occupation	Annual growth (persons employed)
Contract, Program and Project Administrators	2620
Midwifery and Nursing Professionals	1420
Accounting Clerks and Bookkeepers	1150
Logistics Clerks	1080
General Clerks	860
Architects, Designers, Planners and Surveyors	730
Tertiary Education Teachers	600
Social and Welfare Professionals	590
Financial Brokers and Dealers, and Investment Advisers	520
Health Diagnostic and Promotion Professionals	490
Bricklayers, and Carpenters and Joiners	470

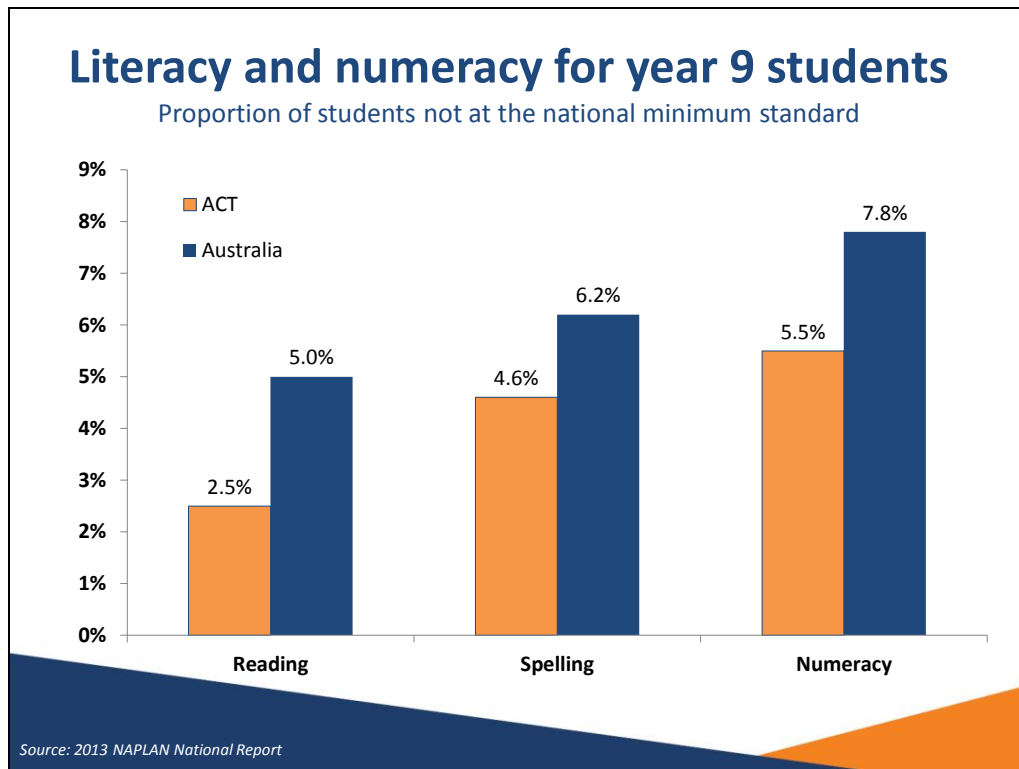
*Source: ABS, Labour Force Survey, February quarter 2014 (4 quarter averages of original data)*

### Recent occupation growth in the ACT

**Change in persons employed in the 12 months to February 2014**

*Source: ABS, Labour Force Survey, February quarter 2014 (4 quarter averages of original data)*

In the 12 months to February 2014, the largest growing occupations in the ACT were Contract, Program and Project Administrators, Midwifery and Nursing Professionals and Accounting Clerks and Bookkeepers.



**Literacy and numeracy for year 9 students**  
**Proportion of students not at the national minimum standard**  
*Source: 2013 NAPLAN National Report*

A smaller proportion of year 9 students in the ACT are not meeting the national minimum standard for reading, spelling and numeracy compared with the average for Australia.

### Levels of educational attainment

Persons aged 25-34 years

	% completed Yr 12 or higher	% attained Advanced Diploma, Diploma or Certificate III/IV Level	% attained Bachelor Degree or higher
Australian Capital Territory	93%	23%	51%
Australia	85%	30%	35%

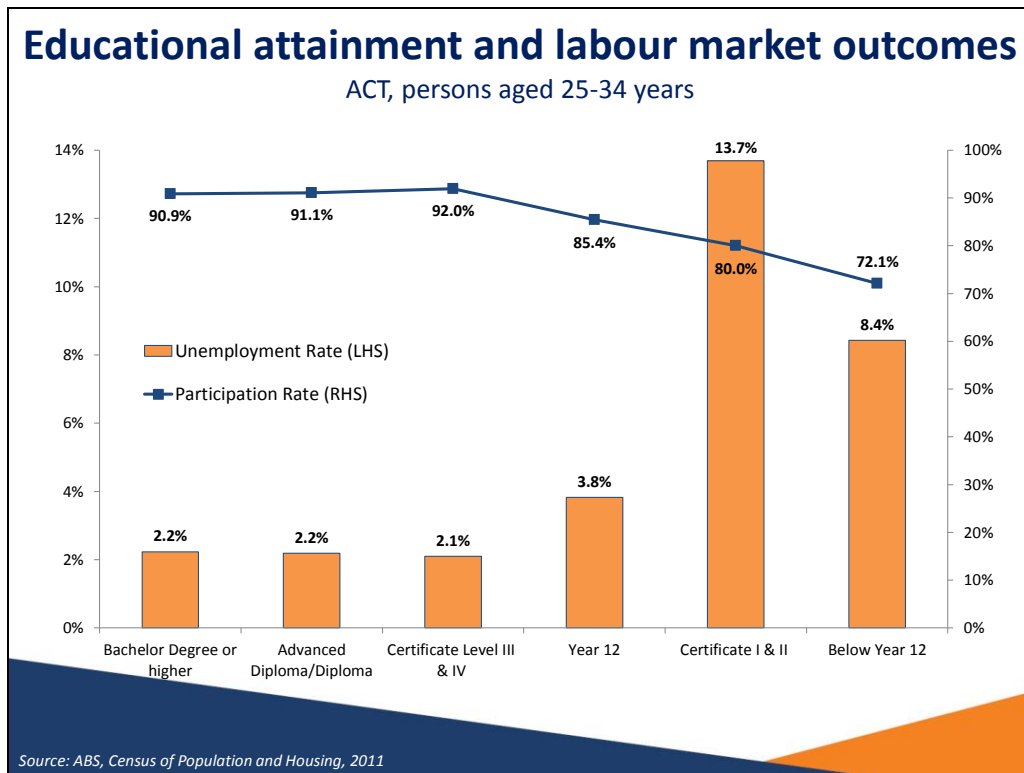
Source: ABS, Census of Population and Housing, 2011

**Levels of educational attainment  
Persons aged 25-34 years**

*Source: ABS, Census of Population and Housing, 2011*

At the time of the 2011 Census, a higher proportion of 25 to 34 year olds had completed Year 12 or higher (93 per cent) compared with Australia (85 per cent).  
Over half of 25 to 34 years olds in the ACT had also attained a Bachelor Degree or higher.





### Educational attainment and labour market outcomes

#### ACT, persons aged 25-34 years

Source: ABS, Census of Population and Housing, 2011 (Figures are for the highest level of education attained)

This chart demonstrates the positive relationship between educational attainment and labour market outcomes.

In the ACT, those who hadn't completed Year 12 or had a Certificate I/II as their highest level of education faced low rates of labour force participation and high rates of unemployment.

**What are employers  
telling us?**



## Recruitment conditions have eased

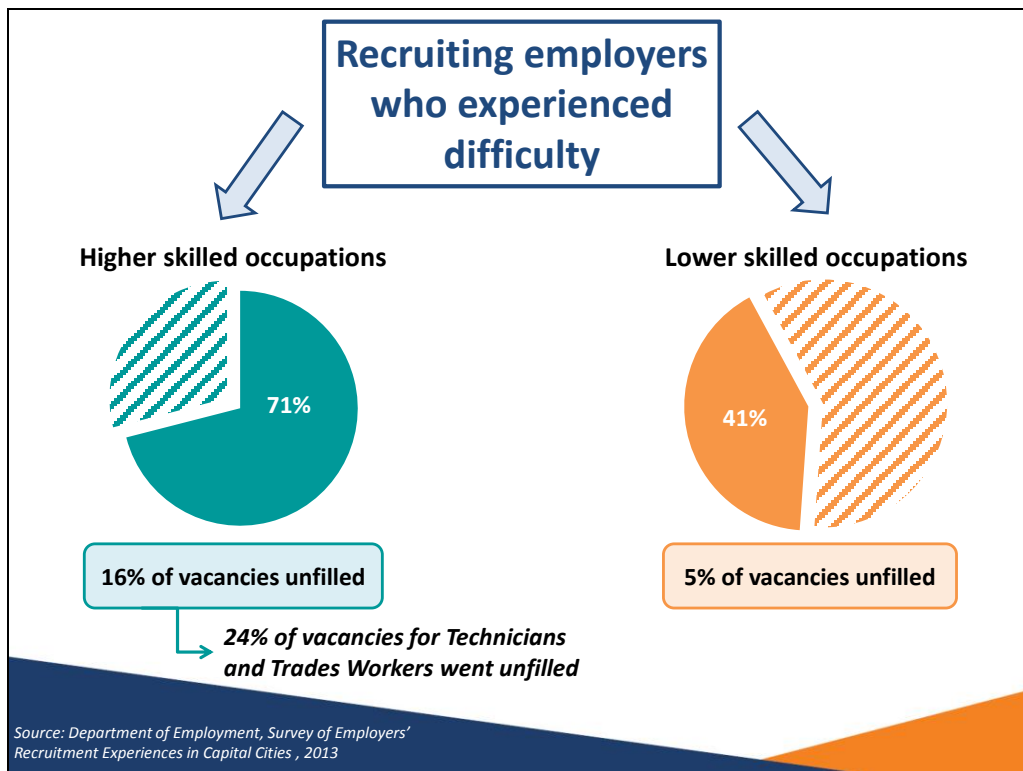
	2012	2013	All Capital Cities 2013
<i>Recruitment activity</i>			
Recruited for staff	85%	<b>82%</b>	74%
Increased staff numbers	28%	<b>20%</b>	22%
Annual vacancies per 100 staff	12.1	<b>10.3</b>	10.0
<i>Recruitment difficulty</i>			
Applicants per vacancy	6.0	<b>8.0</b>	12.2
Experienced recruitment difficulty	53%	<b>53%</b>	42%
Unfilled vacancies	10.2%	<b>8.3%</b>	7.3%
<i>Recruitment expectations</i>			
Expected to increase staff	27%	<b>22%</b>	26%
Expected to decrease staff	7%	<b>12%</b>	9%

Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, 2012 & 2013

### Recruitment conditions have eased

Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, 2012 & 2013

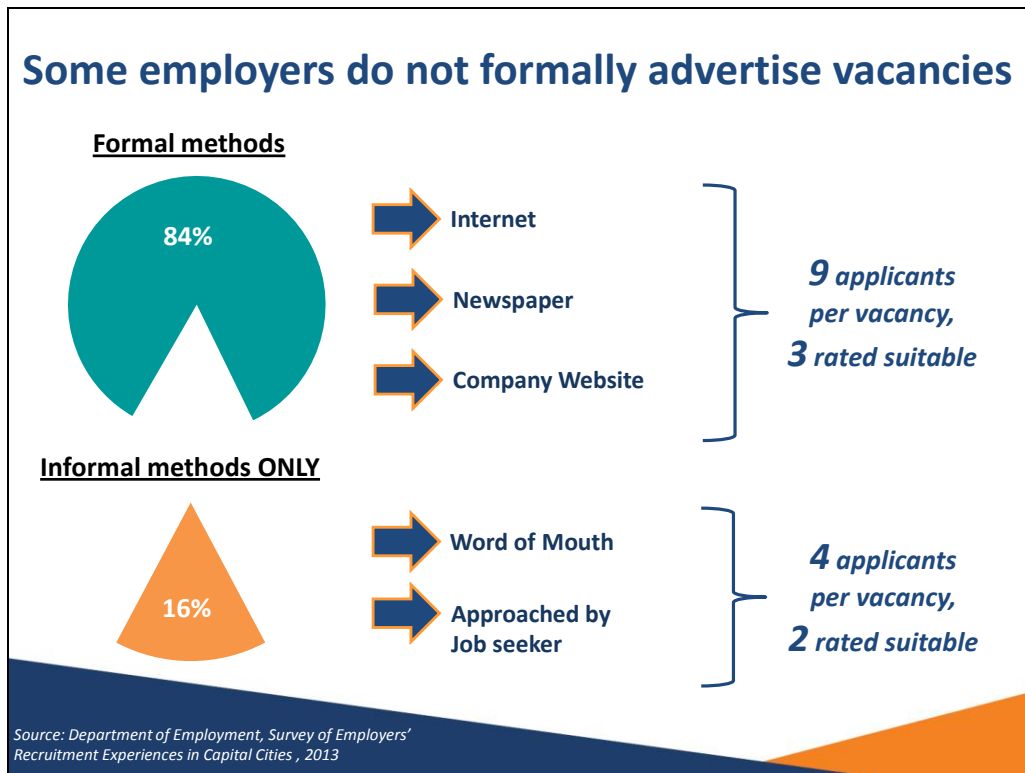
Labour market conditions have softened significantly in **Canberra** where a growing number of employers reported reducing staff numbers in the six months prior to the survey. Recruitment conditions in the six months following the survey were expected to continue to ease with a large number of employers anticipating further reductions in staff numbers.



### Recruiting employers who experienced difficulty

Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, 2013

Employers in Canberra still experienced recruitment difficulty recruiting for both higher (71 per cent) and lower (41 per cent) skilled positions.

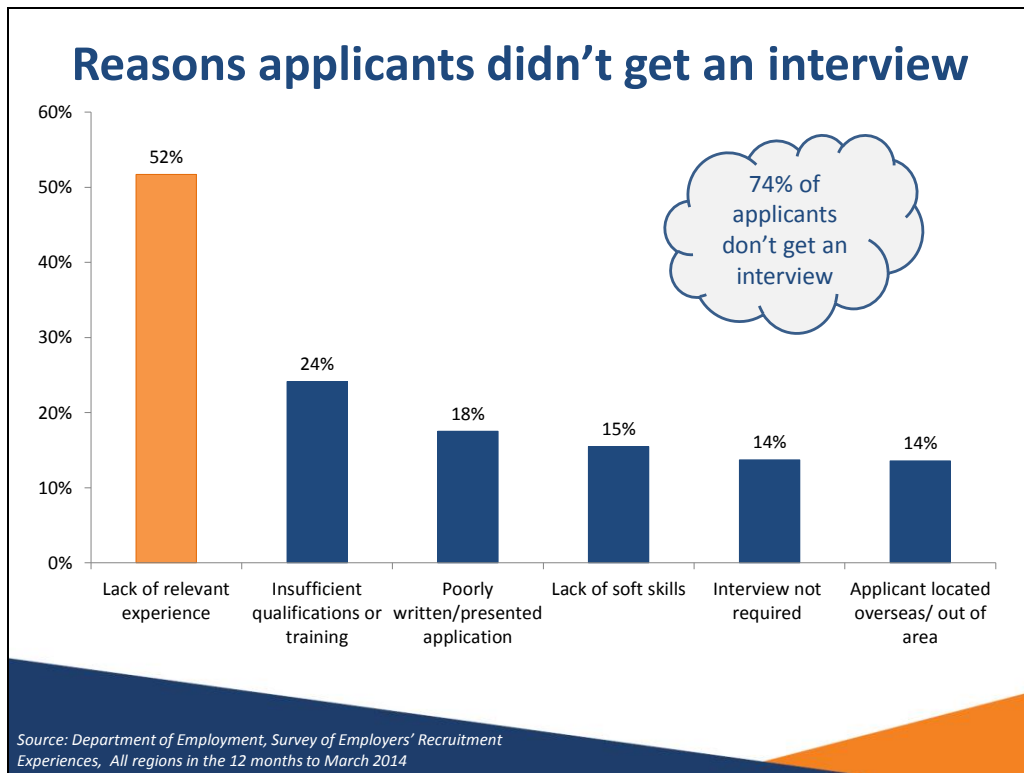


### Some employers do not formally advertise vacancies

Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, 2013

In Canberra, 84 per cent of employers used a formal method of recruitment in their most recent recruitment round including use of the internet, newspaper and company website. On average, formal recruitment methods attracted 9 applicants per vacancy of which 3 were considered suitable by the employer.

16 per cent of employers used an informal method ONLY, most commonly word of mouth and being approached by the job seeker. On average, using an informal method only attracted 4 applicants of which 2 were considered suitable by the employer.

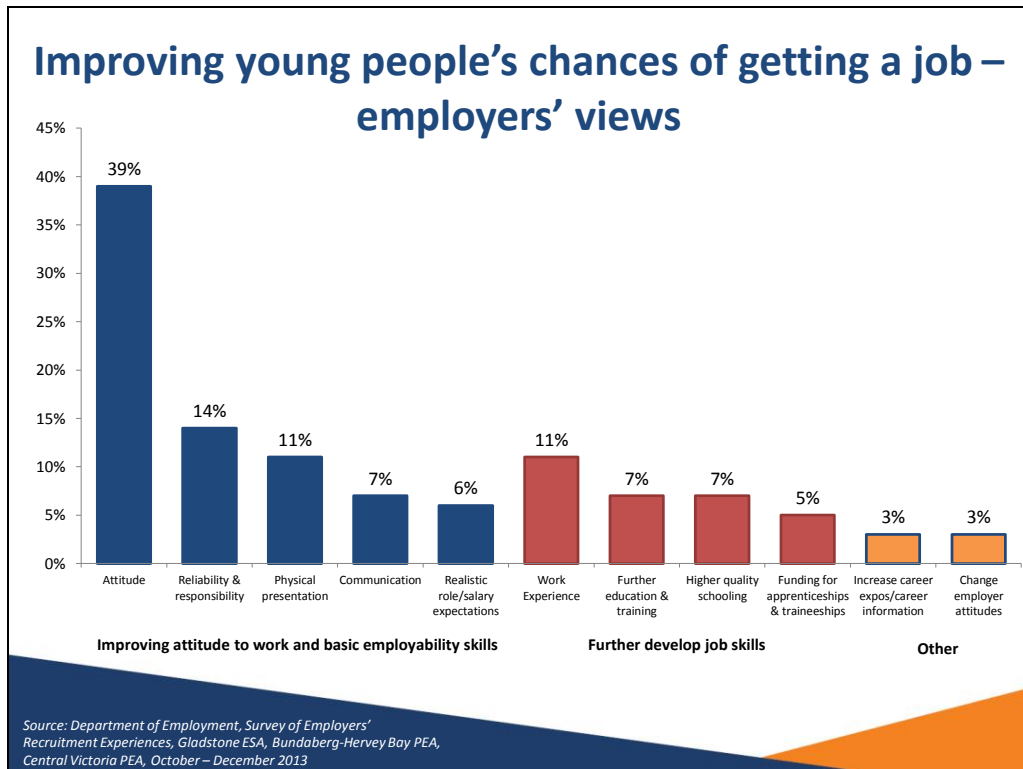


### Reasons applicants didn't get an interview

Source: Department of Employment, Survey of Employers' Recruitment Experiences, All regions in the 12 months to March 2014

On average, 74 per cent of applicants so no get an interview.

When asked why applicants didn't get an interview, 52 per cent of employers mentioned that a lack of relevant experience was a factor.



**Improving young people's chances of getting a job? – employers' views**

*Source: Department of Employment, Survey of Employers' Recruitment Experiences, Gladstone ESA, Bundaberg-Hervey Bay PEA, Central Victoria PEA, October – December 2013*

The results in this report are based on 1151 responding employers who were surveyed between October-December 2013 in the Gladstone Employment Service Area (ESA), the Bundaberg-Hervey Bay Priority Employment Area (PEA) and the Central Victoria PEA. Some employers provided more than one response.

## Employability skills essential

What employers considered essential in an applicant

*71% of employers said that personality traits/qualities are more or equally as important as technical skills*

- Enthusiastic/positive attitude
- Interact/connect with others/teamwork
- Hardworking/good work ethic
- Communicate
- Make good decisions
- Reliable

Source: Department of Employment, Survey of Employers' Recruitment Experiences, December 2013; All regions surveyed in the 12 months to Dec 2010.

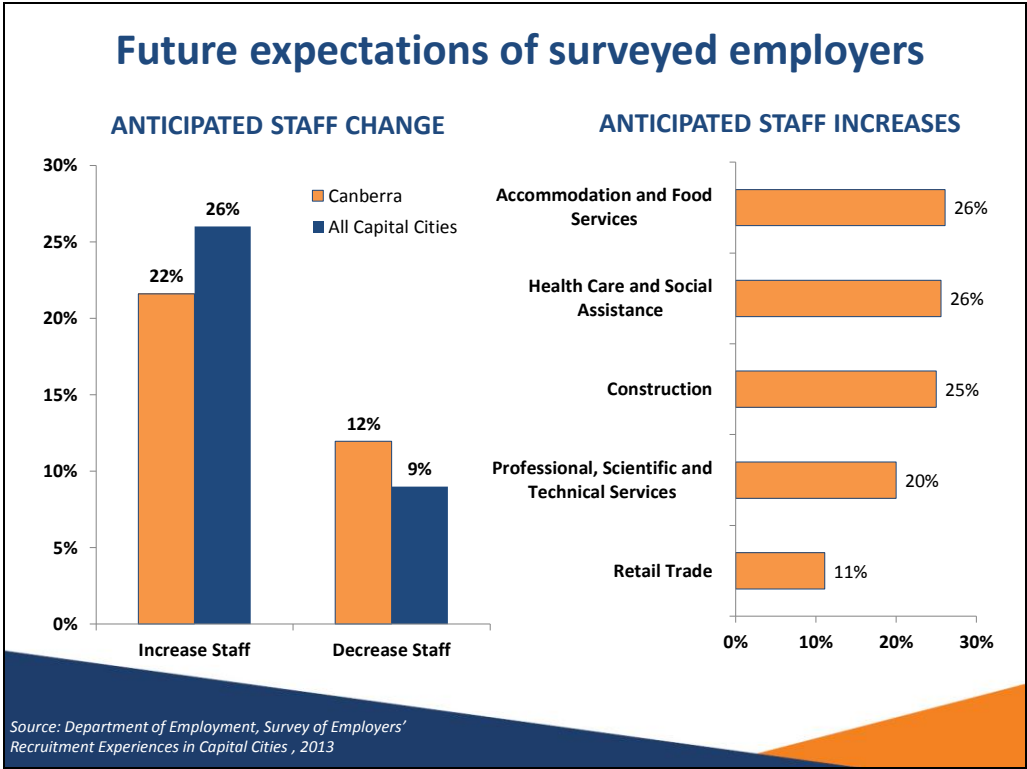
### **Employability skills essential**

*Source: Department of Employment, Survey of Employers' Recruitment Experiences, December 2013, All regions surveyed in the 12 months to December 2010*

Employers want people who can/have

- Enthusiastic/positive attitude
- Interact/connect with others/teamwork
- Hardworking/good work ethic
- Communicate (higher order skill – e.g. hold an argument)
- Make good decisions
- Reliable



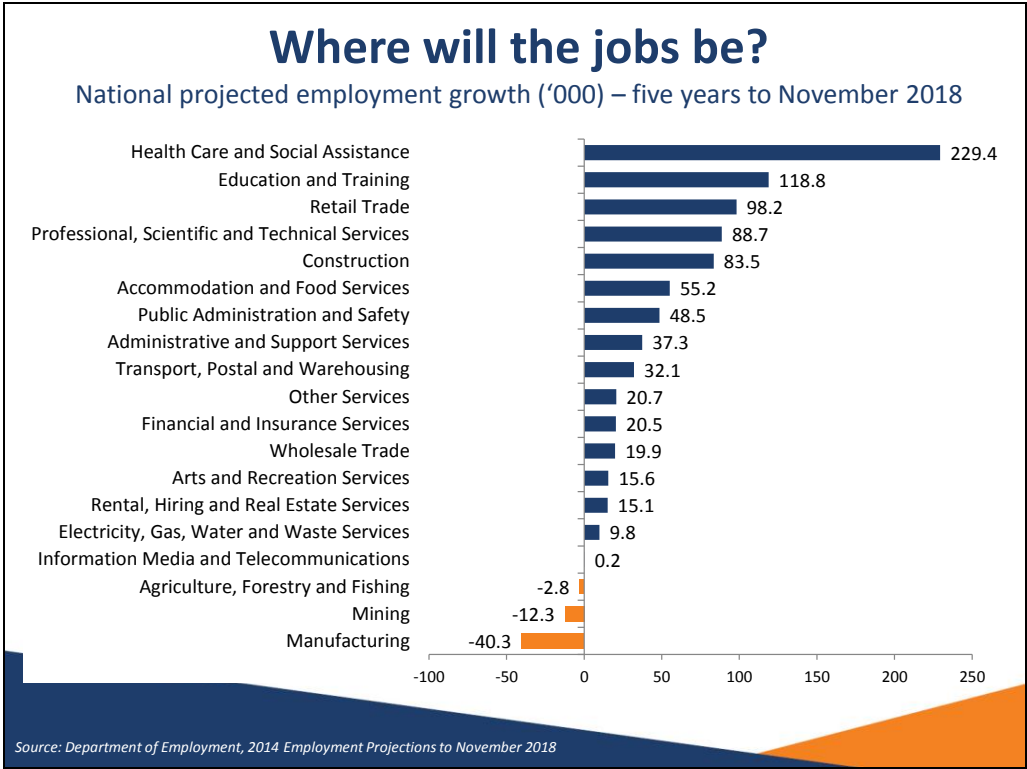


**Future expectations of surveyed employers**

Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, 2013

In Canberra, a smaller proportion of employers (22 per cent) anticipated the need to increase staff numbers in the following months compared with the average for all cities combined (26 per cent). A higher proportion (12 per cent) anticipated having to decrease staff numbers in the near future compared with the average for all cities combined (9 per cent).

Employers in the Accommodation and Food Services and Health Care and Social Assistance industries were most likely to increase staff numbers in the six months following the survey.



**Where will the jobs be?**  
**National projected employment growth ('000) – five years to November 2018**  
Source: Department of Employment, 2014 Employment Projections to November 2018.

## Conclusion

**Unemployment remains low but conditions easing**

- Employment growth slowing
- Vacancies falling
- Increased competition for jobs

**Challenges for the region**

- Public service cuts
- Unemployment rate for young people much higher and increasing

**Opportunities**

- Strong growth industries: Health Care and Social Assistance
- Unfilled vacancies for many higher skilled occupations, particularly Trades Workers

**Job seekers require**

- Education / training
- Employability skills
- Work experience / apprenticeships
- Literacy and numeracy

**Collaborate with key stakeholders**

## Conclusion

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Unemployment rate for young people much higher and increasing

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### **Job seekers require**

Education / training  
Employability skills  
Work experience / apprenticeships  
Literacy and numeracy

### **Collaborate with key stakeholders**



## Further Information

- [www.employment.gov.au/lmip](http://www.employment.gov.au/lmip)
- [www.employment.gov.au/skillshortages](http://www.employment.gov.au/skillshortages)
- [www.employment.gov.au/regionalreports](http://www.employment.gov.au/regionalreports)
- [www.employment.gov.au/australianjobs](http://www.employment.gov.au/australianjobs)
- [www.joboutlook.gov.au](http://www.joboutlook.gov.au)

### **Further Information**

More information on labour market conditions and other research on small areas can be found on these web sites

- [www.employment.gov.au/LMIP](http://www.employment.gov.au/LMIP)
- [www.employment.gov.au/SkillShortages](http://www.employment.gov.au/SkillShortages)
- [www.employment.gov.au/RegionalReports](http://www.employment.gov.au/RegionalReports)
- [www.employment.gov.au/australianjobs](http://www.employment.gov.au/australianjobs)
- [www.joboutlook.gov.au](http://www.joboutlook.gov.au)

A report on the survey findings for the fourth annual *Survey of Employers' Recruitment Experiences in Capital Cities* has been placed on the regional reports section of the Department of Employment - Regional Reports web site.

Thank you.

